

CITY OF MANCHESTER NEW HAMPSHIRE



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 1999

CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

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INTRODUCTORY SECTION



City of Manchester
Department of Finance

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Honorable Board of Mayor and Aldermen
City of Manchester, New Hampshire

The dominant theme of Fiscal Year 1999 ("FY 1999") was education. This is the second year that education was the major focus of state and local government. The following is a summary of state education funding decisions.

On December 17, 1997, the New Hampshire Supreme Court (the "Supreme Court") ruled that the New Hampshire (the "State") system of financing elementary and secondary public education primarily through the local property taxes was unconstitutional. In its decision, the Supreme Court noted that several financing models could be fashioned to fund public education, but that it was for the Legislature to select one that passes constitutional muster. The Supreme Court did not remand the matter for consideration of remedies, but instead allowed the existing funding mechanism to stay in effect through March 31, 1999, and stayed all further proceedings until the end of the 1999 legislative session to permit the Legislature to address the issues raised in the case.

Chapter 17 of the Laws of 1999 became effective in April 1999. The law included a definition of "adequate education" for New Hampshire schools and established an "Education Trust Fund" and a formula for providing State financial assistance to local school districts. The new law included a phase-in provision for certain aspects of the Education Trust Fund.

The primary means of funding the Education Trust Fund is a uniform statewide property tax under which some of the levies from more prosperous ("property rich" or "donor") communities will be collected by the State and redistributed to less affluent ("property poor" or "recipient") school districts. The law established a uniform tax rate of \$6.60 per thousand of total equalized value (not including utility property or local exemptions). The new Statewide property tax will be assessed and collected in virtually the same manner in which property taxes have been administered in the past with one primary exception, donor communities will be required to send amounts in excess of what is required locally for an adequate education to the State for redistribution to recipient districts. The City of Manchester (the "City") is a recipient district.

In addition to the property tax provisions, the State raised levies on its Business Profits Tax 1%, Business Enterprise Tax .25%, Real Estate Transfer Tax 50%, and added rental cars to the items subject to the Meals and Rooms Tax. The State also earmarked revenue from the State's share of the recent multi-state tobacco settlement, as well as sweepstakes earnings and reserve funds of \$62 million already committed to assist property poor

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communities. Certain provisions in the legislation required further action by the State Legislature in order to be implemented and the use of the tobacco settlement funds requires that the settlement obtain final approval.

The legislation also created two commissions: the Adequate Education Financing Commission and the Tax Equity and Efficiency Commission to make further recommendations as to the funding of education expenditures. The legislation further provided that if the voters of the State adopt an amendment to the State Constitution effectively negating the Court ruling, the provisions of the legislation shall, with certain limited exceptions, be repealed as of the July 1 following such adoption. The provisions of laws affected by Chapter 17 shall be considered reenacted as they were on the day before Chapter 17 became effective. The next opportunity for adoption of such an amendment is in November 2000.

Chapter 17 specifically authorized municipalities to send out the first semi-annual tax bills for fiscal 2000 based on one-half of the fiscal 1999 tax rate with certain adjustments. The legislation in no way limited the amounts a municipality could appropriate to fund education above its per pupil adequate education cost and in no way limited the additional amount of taxes that could be levied to raise such additional appropriations or to pay debt issued for school purposes.

However, on October 15, 1999 the Supreme Court ruled that the "phase-in" provision of the State education property tax enacted under Chapter 17, Laws of 1999 was unconstitutional. The Supreme Court's decision ruled that since the phase-in provision is not separate from the Statewide property tax, the entire tax was ruled unconstitutional. However, the Supreme Court's decision did not invalidate municipal, county, or local education property taxes. As a result of the Supreme Court's ruling the Legislature met and adopted a Statewide property tax of \$6.60 per thousand valuation that included a hardship provision in an attempt to assist those struggling to pay increased property taxes. The Statewide property tax was adopted with a sunset provision of January 1, 2003.

As a result of the enactment of Chapter 17, the City is expected to receive approximately \$30 million each year in new state assistance for Fiscal Year 2000 (FY 2000) and Fiscal Year 2001. The City's Charter requires that the Board of Mayor and Aldermen (BMA) adopt a municipal budget by the second Tuesday in June.

The adopted FY 2000 Budget is based on conservative revenue estimates that include the new State education funding. Approximately one third of the new funding will be used to reduce total (combined state and local) property tax assessments for FY 2000. Therefore, even though FY 2000 School appropriations increased \$17,178,263 (20.6%) and municipal appropriations increased \$3,774,042 (4.5%), the City's all inclusive property tax rate was reduced from \$32.55 to \$30.40 in 1999 as a result of State education funding.

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Some of the donor municipalities and others have indicated that they are considering additional court proceedings challenging all or certain of the provisions of Chapter 17 especially those sections relating to how properties are assessed in the various cities and towns.

On May 24, 1999, a Hillsborough County Superior Court (the "Superior Court") decision declared that the Manchester School District (the "District") is not a City department and that the District should enjoy considerably more authority in the administration and management of its funds than other City departments. The Superior Court's ruling clarified a long-standing dispute as to the status of the District. Although the District's management and administrative roles were enhanced, the Superior Court held that the BMA remains the District's legislative body with "bottom line" appropriation control. The BMA also remains responsible for approving District labor contracts and authorizing District debt, which remains a general obligation to the City.

In response to the Superior Court's ruling in June 1999 the District appointed an interim treasurer, established a separate bank account, and initiated a transition plan to separate its management functions from the City. It is anticipated that all District payroll, payable, and treasury functions will be fully assumed by the District no later than January 1, 2000.

MANAGEMENT INITIATIVES

Y2K

FY 1999 was a critical turning point in the City's computer systems' evolution. Financial accounting and reporting systems implemented during 1997-1998 settled down and, at year-end, the Finance Department resumed its quarterly reporting cycle. System processing still labors due to the undersizing of the IBM AS 400 (Model 520). However, an upgrade of the central processing system to an IBM AS 400 (Model 710 or 730) is expected in FY 2000 to accommodate the introduction of Tax Collections and Utility Billings modules.

Like most other governmental units across the country, the City continues to implement its "Y2K Plan" to ensure smooth operation beginning January 2000 and beyond.

Contributory Retirement

The City's Contributory Retirement System (the "Plan") has been in existence since 1974. A defined benefit program for employees the Plan has been amended several times since the inception. Each time the Plan was amended a local referendum was conducted. However, in 1999 the Supreme Court ruled that, because the Plan was adopted pursuant to an act of the Legislature adopted in 1974, any subsequent amendments to the Plan should have been ratified by the Legislature and not just local referendum.

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Consequently, legislation was introduced and enacted to the 1999 Legislature session that ratified all of the earlier amendments.

Fund Balance/Health Insurance

The City ended FY 1999 with an undesignated fund balance of \$466,223 and a Rainy Day Fund of \$5,511,747. During FY 1999, \$409,693 was deposited into the Rainy Day Fund, increasing the total by 8.03%.

One cause for concern, however, is the depletion of the health insurance reserve as a result of claims, benefits enhancements adopted as part of labor contracts, and an increase of over 75 new teachers. Every effort will need to be made to restore the reserve to an actuarially sound position.

Human Resources

Classification and Compensation Program In January 1999 the City implemented a new Classification and Compensation program for all non-affiliated employees. The implementation involved the coordination of all salary, benefit, legal and ordinance recommendations for over 550 employees. All departments and employees moved to a standard 40-hour workweek system. These changes were the first renovation of the City's personnel structure in 29 years.

At the same time, the City coordinated the collective bargaining process for all labor groups involving 12 contracts. The goals were to implement the same changes with all affiliated groups. A team of City management and senior representatives of these groups met on a bi-monthly basis from January through July 1999. All aspects of the Classification and Compensation proposal were accepted based on bargaining units approval.

Employee Development System Along with the Classification and Compensation program, the City adopted an extensive employee performance appraisal system called the Employee Development Process ("EDP"). The EDP includes 3% annual merit pay, annual cash bonus options for outstanding performance and Knowledge, Skill and Ability pay options.

Security Management The City hired a full-time Security Manager and placed guard security at the City Hall Complex to improve employee and public safety. All School facilities will be completely assessed for engineering designs and equipment specifications. Upon completion of the project in all 23 School sites, there will be comprehensive programmable zone intrusion detection coverage, 2-way voice communicators, multiple portable duress devices, main entrance Closed Circuit Television camera, monitoring units, and proprietary ownership.

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ECONOMIC DEVELOPMENT

FY 2000 initiatives such as the revaluation of City property, the proposed purchase of the Amoskeag Hydro Station, the marketing of the recently acquired Hackett Hill property, the Riverwalk Development Project, and the Manchester Civic Center, along with the Phase II and III construction at Manchester Airport will serve as economic catalysts for further economic development over the next two years.

In addition to the management initiatives highlighted, several economic development projects previously authorized by the BMA made substantial progress and other projects were initiated.

Amoskeag Hydro Station: The City has entered into negotiations for the acquisition of the Amoskeag Hydro Station ("Amoskeag") with Public Service of New Hampshire ("PSNH"), a subsidiary of Northeast Utilities, the City's local franchised electric utility. Amoskeag, a 16 MW run-of-the-river electric generating station, is located at the north-end of the Millyard, sitting at the head of the proposed Riverwalk. Under deregulation, PSNH will be required to divest of all generating facilities. The City desires to control this historical asset in the future and expects to capitalize on the power generation in conjunction with the Manchester Area Aggregation Program (see below).

Manchester Air Park ("Air Park"): This project continues to attract new companies that create jobs and improve the tax base of the City. Through June 30, 1999 there have been 16 lots (57.62 acres) sold and initial offers or options have been placed on four additional lots (17.69 acres). New construction either completed or in progress amounts to 400,886 square feet. Total employment in the Air Park is approximately 525; with an estimated new employment of 225 jobs. All of this activity has taken place since November 1995 when the marketing phase of the project actually began.

Revolving Loan Fund: In 1996 the BMA appointed five private sector individuals to serve on the Loan Review Committee for this program, which is operated by the Manchester Economic Development Office. As of June 30, 1999 seven loans totaling \$336,000 had been made. Four of these borrowers are located in the Center City. These firms estimate they will create a total of 97 new full-time equivalent ("FTE") jobs as a result of these loans. Two of the loans, totaling \$120,000, have already been repaid in full, and these funds are available for future lending activities.

Business Expansions: The City economy continues to be robust as evidenced by new construction undertaken in FY 1999 by businesses of all types. A number of projects proposed in 1998 were completed, including additions to manufacturing facilities owned by Jac Pac Foods, Ltd., Velcro USA, Inc., and Nyltec, Inc. New construction was also completed by J.L.J. Properties, N.E. Tanya and Cryo Industries of America, Inc. in the Manchester Air Park, and by Portland Welding, Cotter & Company, and Wiggins Airways near the Manchester Airport. In the East Industrial Zone, Lymo constructed a

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7,200 s/f facility, Advanced Forms completed a 20,000 s/f facility, and Freed's Bakery constructed a 7,904 s/f addition. New facilities in the hospitality sector include a 96-room Best Western hotel and several restaurants.

University of New Hampshire: In March of 1999 a complex transaction between the City and the University of New Hampshire (the "University") was completed. The City acquired approximately 822 acres of land in the northwest corner of the City from the University, and the University acquired a 72,000 square foot building in the historic Amoskeag Millyard from a partnership owned in part by the City's not-for-profit development entity, Manchester Development Corporation. The City plans to develop a high quality corporate park on a portion of the property. Approximately 380 acres, under an agreement with the U.S. Environmental Protection Agency and the NH Department of Environmental Services, will be conveyed to the New Hampshire Nature Conservancy for a natural preserve where no development will occur. The City has engaged the services of a consultant to develop a master plan for the corporate park development, and the results of that study are anticipated to be available by January 2000. The University of New Hampshire-Manchester ("UNH-M") will renovate the newly acquired facility and consolidate its operations into the single building for the academic year beginning in September 2000. As a result of this transaction UNH-M will be able to expand both its curriculum and its enrollment.

Façade Improvement Program: The City's Community Improvement Program budget allocated \$120,000 in FY 1999 to Intown Manchester Management for the continuance of a façade improvement matching grant program (\$1 per square foot to a maximum of \$5,000 per building or \$3,500 per retail space) for businesses in the downtown area, \$20,000 is used for technical assistance, and \$65,565 of the remainder has been paid out for 19 completed façade improvements to date. The FY 1999 grant funds have been fully committed, although not all projects are complete and reimbursed.

Civic Center: In November 1998 the question of whether to build a Civic Center in Manchester was approved by public referendum by a margin of 53% to 47%. Subsequently, the BMA approved \$50 million revenue bonds of which the expenditure of up to \$2,600,000 in public funds was authorized to proceed toward structuring the project before final approval. The BMA also stipulated that, prior to undertaking construction, the project structure must meet the following criteria: 20% minimum private funds, the public portion bonding must not exceed \$50,000,000 and the bonds must be fully insured and retired exclusively with State Meals and Rooms funding received as part of a revenue sharing formula from the State, the taxpayers of the City cannot be exposed to any operating deficit that might result from building operations, and that an anchor tenant, in the form of a professional minor league hockey team, must be signed to a long term lease.

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The building is under design by a team including a local architectural firm and the nationally renowned architect, HOK Sport. A construction manager has prepared a guaranteed maximum price for the construction of the facility. Contracts are in place for the building management/concessionaire (with a guarantee to the City against operating deficits), and an ownership group has the conditional approval of the American Hockey League to locate a franchise in Manchester.

Sales of luxury suites and club seats in the proposed facility are well underway, and a pouring rights agreement has been executed with Pepsi Bottling Group. A final vote of the full BMA took place on December 21, 1999 with construction to begin in mid-January 2000. With this schedule in place the Civic Center is projected to open in early October 2001, in time for the start of the 2001-2002 American Hockey League schedule.

Business Development: The Amoskeag Small Business Incubator, a joint venture between the City and New Hampshire College, now has nineteen business tenants with an occupancy rate of 91%. An option to lease an additional 24,000 s/f of adjacent space in the same building may be available if needed. A satellite office of the New Hampshire Office of State Planning is also located in the incubator.

Surplus/Tax Deeded City Property: A former school administration building remains under agreement to the Sargent Museum while the City and State work to resolve issues discovered in an environmental assessment.

The rehabilitation of a fire-damaged downtown retail/office building is expected to commence in early 2000. This building rehabilitation will create new employment and economic activity in the Central Business District.

Riverwalk: A group of private citizens, with financial support from the City and private sources, has embarked on a multi-phase plan to construct a lighted Riverwalk along the Merrimack River in the City's downtown. Groundbreaking for Phase I was held in October 1998 and the scheduled completion date in early 2000. The estimated cost for completion of all phases of the project is between \$10,000,000 and \$14,000,000, depending on the intensity of development selected. The City has already committed \$2,800,000 for the project and efforts are underway to seek additional funding from various federal and private sources. Negotiations are currently proceeding with private entities to provide management, maintenance and promotional services to the City for the Riverwalk on a contract basis.

IMPROVEMENTS TO BASIC SERVICES

Office of the City Clerk

Archives/Records Center: The Office of the City Clerk has completed processing and rehousing the City's municipal documents dated 1846 to 1946. The Supporting

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Documents of Meetings of the BMA (1947-1997) have also been arranged with box and folder listings available for reference. Currently, the Mayoral records (1968-1996) are being preserved and arranged to make them available for use. Once this process has been completed, a repository guide to these records will be developed. The position of Archivist/Records Manager is funded by CIP funds through June 2000, and this has allowed the Archives to be open to the public five days a week. The Library of Congress is continuing to catalog the City's holdings in its National Union Catalog of Manuscript Collections. Researchers may view the collections on-line through the Library's web page at lcweb.loc.gov/coll/nucmc, using the search term "*manchester, new hampshire*".

Records Access Updating: The Office of the City Clerk has continued its work toward a total update of the 1947 ordinance regulating traffic on City streets. The table of regulations is near completion and the ordinance rewrites will initiate over the coming year.

The Office of the City Clerk has also been working to become a pilot site for the VR2000 initiative with the State for Vital Records. Details of Internet access and programming issues have been completed. Manchester City Clerk is anticipated to be on-line and able to provide current vital records for the statewide area in early 2000.

The Office of the City Clerk has actively been participating in the Uniform Commercial Code filing by on-line status. A user group, which includes Manchester City Clerk representation and active participation, has been working closely with the Secretary of State, State Information Technology, and the legal and banking community. Legislation has been enacted and the RFP for consultant activity is being developed. The long-range project is anticipated to be up and running sometime in 2001. The project will provide easier access and a single filing process for the private sector.

Fire Department

The Fire Department completed the upgrade of the City's new 800 Mhz radio system, placing departments on line, except for the Fire Department, which should be completed at the beginning of 2000. In addition, the Fire Department's new Information Management System was upgraded with new emergency dispatch functions place on line. This included a new computer linked with the State's Enhanced 9-1-1 Public Safety Answering Point in Concord, so that emergency number and location information is received in the Manchester center simultaneously.

Construction and renovations to the Somerville Street Fire Station commenced and funds were approved for site work and design for a new Cohas Brook (Southeast Area) Fire Station.

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Police Department

During FY 1999 the Police Department was awarded \$173,000 to hire six new dispatchers and a Senior Records Clerk allowing for redeployment of seven officers to street duty. The Police Department received funding to purchase three additional cruisers, a 4-wheel drive pickup, and a speed notification trailer to make drivers more aware of their speed in problem areas.

While making plans for the expansion of the Main Police Headquarters, it was decided by the BMA, to build a new police station and the existing building would be renovated for use as a Human Services Building for several other City agencies.

Elderly Services Department

The Elderly Services Department serves the needs of Manchester's senior citizens through coordination efforts with area agencies, as well as by offering multi-service programs. The Elderly Services Department has addressed the need for a social adult day care in Manchester. During the year the Elderly Services Department collaborated with area agencies to design and implement a continuum of care model, to share costs and services, to make an affordable, social adult day care program a reality for the future.

The Elderly Services Department continues to operate two senior centers to prevent isolation and offer socialization. There were 31,000 visits to the centers last year, and 1,425 seniors and/or their families were served through the Elderly Services Department's other programs. By being a place seniors frequent the senior centers also function as a community resource for information relative to senior issues. On a contractual basis, the Elderly Services Department hosts St. Joseph Community Services Meals Program, offering congregate meals at one of the centers, delivering 100-150 meals a day to homebound individuals.

Those having life style changes or human service needs can get help attaining services through the Case Management Program. This program offers seniors and their families a connection to the community human service network. The Elderly Services Department authored and distributes a Resource Booklet to help seniors and their families, as well as other agencies' staff to utilize senior services.

The Elderly Services Department continues to serve as a station for the Senior Companion Program. This is a dual service program, utilizing senior volunteers who are income eligible and who are paid a stipend to visit those seniors living in the community that are in need of companionship.

Office of Youth Services

The philosophy of the Office of Youth Services ("OYS") continues to be one of offering quick response to the problems of youth by working with the youth and family and utilizing the resources of the community. Youth participation and responsibility play a large part in the short-term intervention.

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OYS has been working with the Department of Parks and Recreation on the installation of a skateboard park for the City. City Officials and teens have worked together to develop a municipal skate park that will be located behind the Maple Street Youth Center. It is expected that the Skate Park will be completed and opened in June 2000.

The City has added a community outreach worker position, formerly by a Health Care Transition Grant. For three years, under the Health Care Transition Grant, the outreach worker assisted minority teens in the City. The teens constantly were found on street corners and in inner City parks. The aim was, and is, to contact the youth untouched by existing programs and agencies so as to provide them with health supervision. The outreach worker also encourages the disaffected youth to get involved with school and after school programs. Eventually, the outreach worker position will be sited at the Police Athletic League facility.

The Court Alcohol Referral Program has been in place for two years. Youth under the age of 21 can be referred to the program. The program assists youth in assessment and education. Those who are referred to the program from the Courts for alcohol abuse, and who attend the full program, receive a certificate for doing so.

The Truant Alternative Program has been ongoing at the Maple Street Youth Center; it is now in its second year. The program is run in collaboration with the YMCA Opportunities Unlimited Program. The truants attending the program on Wednesdays and Thursdays during the school year receive supervision, education, and assessment of their educational status. The Truant Alternative Program will be expanding in the near future.

Highway Department

The following projects were completed in FY 1999:

- Maple Street was designed and reconstructed from Valley Street to Hanover Street.
- Madeline Road was reconstructed from North Bay to Union Street.
- The Brown Avenue/Goffs Falls Road Intersection Improvements and Reconstruction Project was designed.
- An Infrastructure Improvements Project was designed. This included the replacement of sewer pipe on Belmont Street, Talbot Street, Exchange Avenue, Porter Street, and Walnut Street.
- The work on the \$13,000,000 Cohas Brook Phase I Sewer Interceptor Project continued.
- A sewer system was constructed that connected the homes on Tougas Avenue to the City's sewer system.
- The reconstruction of the Mammoth Road/Huse Road/Weston Road intersection was completed.
- The West River Road/Webster Street Intersection was designed.

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- A new sidewalk was constructed on Mammoth Road from Bridge Street to Kennard Road.
- The public stairway between Amory Street and Bartlett Street was rehabilitated.
- Other sidewalks were constructed throughout the City as part of the 50/50 Sidewalk Program where residents and the City share the costs of new sidewalk construction.
- Speed bumps were installed in the Westwood Drive and Kenburma Street neighborhoods to control traffic speeds.
- The Highway Department received Requests for Qualifications and Proposals and contracted with a private firm to provide a Custodial and Preventative Maintenance service to the City's schools, libraries, and City Hall.
- Under the City's Bridge Maintenance Program, the Amoskeag Bridge was rehabilitated at a cost of approximately \$2,000,000. The work included seismic retrofits, which were installed to protect the bridge in the event of an earthquake. Also under the Bridge Maintenance Program, each of the City's bridges was studied and given a load capacity rating.
- Under the City's Parking Facilities Program, the Center of New Hampshire Parking Garage was rehabilitated, at a cost of approximately \$1,000,000. Also under the Parking Facilities program, the Hartnett Parking Lot was designed for reconstruction during FY 2000. This design includes amenities chosen to beautify the lot and enhance the entire neighborhood.
- The Downtown Improvements Project - Phase I was completed. This consisted of the beautification of Elm Street from Bridge Street to Granite Street.
- The design and bid process for the Downtown Improvements Project - Phase II, Part A which consists of the beautification of Stark Street from Elm Street to Canal Street was begun.
- Phase I of the Landfill Closure Phase I Project continued throughout the year. The cost of this phase is approximately \$5,500,000.

Traffic Department

The following accomplishments were achieved by the Traffic Department:

- Completion of Commercial Street corridor for extra parking.
- Completed Bedford Street and doubled the number of parking spaces.
- Worked with the Manchester Airport Authority in completing a special signalization for southbound traffic at Airport Road and the installation of new signals at Harvey Road and South Willow Street.

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ENTERPRISE OPERATIONS

Manchester Airport Authority

Financial Performance: The Manchester Airport experienced a sound financial year with strong gains in revenue, particularly parking, concessions, and rental car revenues. Cost containment played a major role in management decision making. The Airport continues to be recognized on all fronts as a key economic engine, not only for the City, but also for the entire State. The Airport issued approximately \$125 million of General Airport Revenue Bonds to help finance its Master Plan construction projects.

Economic Impact: An Economic Impact Study Update shows that Manchester Airport now contributes over \$500 million to the local economy in total economic impact, a significant increase over the \$170 million the Airport contributed to the local economy in 1994.

Passenger Boardings: Manchester Airport has doubled its record-breaking pace of increased passenger enplanements this past fiscal year, up from 630,809 in FY 1998 to 1,295,540 in FY 1999. In terms of total passengers (enplanements and deplanements), Manchester Airport documented a total of 2,582,728 passengers this year. As the fastest growing airport in New England since 1971, the Airport's passenger base continues to expand as more and more passengers from all over New England recognize its ease and convenience and are choosing Manchester in record numbers.

Cargo Tonnage: UPS, FEDEX, and Airborne Express anchor Manchester Airport's rapidly increasing cargo activity. FY 1999 activity grew significantly to 72,134 tons of freight shipped versus 65,381 tons in FY 1998. FEDEX and UPS are each utilizing wide-body aircraft at their Manchester facilities. This brings tremendous additional lift and cargo capacity to Manchester. Current tonnage shipped indicates that this next fiscal year will again be a banner year. The Airport's cargo activities have been recognized by leading shippers industry-wide. In fact, Manchester Airport is the third largest cargo airport in all of New England, processing more air cargo than Portland, Providence, Pease, and Burlington combined. Construction of a third cargo facility is now completed, with additional apron capability on the drawing board.

Increase Airline Service: Passenger activity at Manchester Airport rose an astounding 107% in FY 1999, with over 2.5 million air travelers choosing to use the Airport during the year. The dramatic increase in activity can be attributed to several new airlines beginning service at Manchester and the addition of new flights from established carriers. During the year, Manchester Airport surpassed the Portland International Jetport as the largest airport in northern New England. It is anticipated that Manchester will continue on a course of steady growth.

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Capital Improvements/Master Plan Update: Ledge removal in the approach to Runway 24 was completed and construction of the Runway 24 extension was begun. This project is expected to be completed in the summer of 2000. The Little Cohas Brook relocation was completed and the brook was enclosed in an approximately 1500-foot long tunnel. This project, essential to the future extension of the Airport's main runway, allowed the continued placing of fill material and construction of embankment at the end of Runway 35. Over 1 million cubic yards of material have been placed to date. The new Airfield Electrical Vault was completed and is now in use. The West End Terminal Expansion was constructed and opened, adding three jet gates, 90 feet of ticket counter space, and a commuter hold room with five gates. The overall addition also included much needed storage and operations space, as well as a new ticket lobby and concourse space for a total addition of approximately 70,000 square feet. As part of the expansion, a new aircraft terminal ramp was constructed to accommodate the parking of aircraft at the expanded terminal. A major portion of the East Ramp was also reconstructed in conjunction with the private development of a new \$7,000,000 General Aviation facility. In January 1999 parking Lot "B" was taken out of service as site work was started for the construction of the new six-story parking garage. The garage will provide parking for 4,200 vehicles and house rental cars on the ground floor. Anticipated opening for the garage is Thanksgiving, 1999. Construction of interim parking lot "F" was completed, which was constructed to partially replace the daily parking lot "B" which had to be closed for the construction of the garage. Parking Lot "D" was expanded, on a temporary basis, to accommodate an additional 2,100 automobiles. Parking Lot "G", a temporary overflow lot was constructed to accommodate 1,200 vehicles. This parking area was needed to accommodate the tremendous passenger growth at the Airport. The relocation of Harvey Road continued. This project, required in order to complete the extension of Runway 24, was unable to be completed due to property issues, but is expected to be completed in the Fall of 1999.

Residential Sound Insulation Program: Due to the lack of a Federal Grant in FY 1999, the Airport's residential sound insulation program was not as active as in previous years. The program was able to complete the insulation of 49 homes as part of Groups 7 and 8, bringing the total for the program to 333 homes. In preparation for the continuation of the program, 20 single and multi-family homes were selected as part of Group 9. A complete design package for the 30 total units included in this group has been prepared and is ready for bid.

Parks Recreation and Cemetery

The Parks Division of the Department, which is responsible for maintenance of 1,200 acres of parkland, has several capital construction projects in progress and several projects in the engineering or design phase. These projects include several areas within our park system including passive parks, regional parks, neighborhood parks/playgrounds, a new Skateboard Park, and the Piscataquog Rail to Trail Project.

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Passive Parks: The design/engineering of Kalivas Park has just begun. The funding is in place for Enright Park with design/engineering set to proceed during the Winter 2000.

Regional Parks: Phase I improvements of Livingston Park, including the parking lot, three soccer fields, a new entrance roadway, and installation of a new 400-meter track were completed in FY 1999. Construction of a new storage building was also completed and construction of a new main fieldhouse is approximately 60% complete. Six new tennis courts and a new facility parking lot for 120 cars at West Memorial Field were completed during the fiscal year. New retaining walls and slope treatments are in place and the track storage building is under construction and 50% complete.

Neighborhood Park/Playgrounds: Pine Island Park and Prout Park have construction in progress. Stevens Park, Harriman Park, Howe Park, Youngville Park, and Wolfe Park Playgrounds are all complete.

Skateboard Park: The site has been excavated and prepared for construction. The design plans are ready and bids will be published in late October 1999.

School Site Projects: Six new tennis courts at Memorial High School are 90% complete. Three courts at Livingston Park have been overlaid with finish asphalt and color coating. The entire site at Northwest Elementary School has been rehabilitated, including new playground equipment, retaining walls, new asphalt, and fencing. The entire site at Hillside Junior High School has been rehabilitated including new drainage, parking, lighting, and landscaping. New/additional playground equipment has been installed at Green Acres School.

The Recreation Division of the Department includes an eighteen-hole golf course, two ice arenas, one ski area and one semi-professional baseball park. Improvements to assure the continuance of the revenue stream from these facilities and other improvements to reduce expenses are as follows. Approximately \$600,000 has been dedicated to improvements of these areas in FY 2000. FY 1999 saw a complete site renovation at McIntyre Ski Area including expanded parking, lighting, and bus drop-off; installation of new ice arena lighting completed at JFK Coliseum, with ADA improvements under construction and 50% complete; ADA improvements at Gill Stadium under construction and 50% complete.

In the Cemetery Division 192 Niches have been installed in the mausoleum and all work is complete.

Manchester Area Aggregation Program ("MAAP")

Deregulation of the electric utility industry in New Hampshire, and associated enactments by the State Legislature, prompted the City in 1997 to institute the Manchester Area Aggregation Program ("MAAP") to assist local residents and businesses. MAAP is designed to take advantage of the City's large buying power by grouping retail electric

CITY OF MANCHESTER, NEW HAMPSHIRE
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customers to broker or contract for electric power supply and energy services for such customers. The City, as "Aggregator", is a municipality engaging in the aggregation of customers within its boundaries. MAAP reduced energy costs to the New Hampshire Public Utilities Commission (the "NHPUC") Pilot Program participants by approximately 20-25% in the initial 24 months.

The various orders of the NHPUC in its "Restructuring Proceeding" Docket 96-150 and a Rate Case Docket 97-059 of the franchise utility, Public Service Company of New Hampshire ("PSNH") are currently stayed by order of the Rhode Island Federal District Court. On August 2, 1999 PSNH and Northeast Utilities ("NU") filed with the NHPUC an executed "Agreement to Settle PSNH Restructuring" (the "Agreement") entered into by the Governor and various State officials. Implementation of the Agreement following NHPUC approval and the enactment of appropriate and necessary legislation purports to provide numerous ratepayer benefits and resolve many outstanding administrative and judicial proceedings.

The NHPUC established docket No. 99-099 (the "Settlement Proceeding") to determine if the Agreement is, indeed, in the public interest. Prior to the start of the hearings, NU announced a plan to merge with ConEd of New York. The NHPUC conducted hearings in October 1999 representing Phase I of their procedural schedule. Phase II hearings in the Settlement Proceeding are currently scheduled to begin on January 10, 2000.

A move toward full customer choice in the electric industry is expected to place the City in a better competitive position through its Aggregation Program with greater loads and a larger pool of energy supply competitors. The second largest city in the State, Nashua, has also adopted an Aggregation Plan and has entered into an Intermunicipal Agreement with MAAP to administer their program. City officials are currently in discussions with other communities to promote joint administration of additional municipal aggregation plans.

While full deregulation of the electric industry in New Hampshire has been challenged in Federal Court, MAAP has proceeded with the aggregation of energy efficiency measures ("EEM") and natural gas. The EEM contract dated May 19, 1999 provides MAAP participants - municipal, industrial, commercial, and residential accounts in both Manchester and Nashua - with access to deeply discounted energy audits and energy efficient fixtures and equipment. The initial work to be completed at five municipal facilities in Manchester is expected to reduce energy costs by over \$500,000 per year.

The natural gas contract, which was also signed May 19, 1999, provides municipal accounts with a guaranteed 5% annual savings over current tariff rates. Retail access is not yet available to small commercial or residential accounts in New Hampshire. The NHPUC issued its Order 23,018 on September 14, 1998 in Docket No. DE 98-124 authorizing the Parties and Staff to create a collaborative to work on various rules and issues surrounding restructuring, unbundling and competition in the gas industry.

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At the June 1, 1999 BMA meeting, the Mayor's office was directed to contact the City's Legislative Representatives to see that the cities (Manchester, Nashua, and Keene) be allowed to recoup the investment made in the NHPUC's dockets. The utilities are currently accruing and deferring the costs of their expert witnesses, legal pleadings, appeals, etc. These monies will be recovered from ratepayers.

Legislation has been introduced that would direct the NHPUC to conduct a hearing to establish administrative rules for determining the methodology by which a party to a docket may be reimbursed for their participation in important policy proceedings.

BOND ISSUES AND CREDIT RATING DURING PERIOD
--

The City issued \$45,865,000 General Obligation Public Improvement Bonds and \$4,295,000 Refunding Bonds in June 1999. The City's credit rating for the issuance was elevated to Aa2 by Moody's Investor Services.

In order for a pension obligation issue to be successful it is important that borrowing and investment rates be properly aligned. At the time the City entered the market in June 1999 the rate structure did not justify the issuance of pension bonds. Therefore, the authorization is still in force and the City will monitor pertinent market rates in order to issue the bid in FY 2000-2001.

In February 1999 the City's School District entered into lease purchase agreement totaling \$1,919,000 for student management software, portable classrooms, and foreign language textbooks. This agreement provided for amortization over three years.

Since September 1990, three separate agreements to finance upgrades and expansion of the wastewater treatment plant have been executed between the State and the City for State Revolving Fund Loans to a maximum principal amount of \$28,200,000. As the project progresses, periodic reimbursement requests will be forwarded to the State on work accomplished to date. The State will review the same and make remittance to the City. Upon completion of the project the aggregate principal amount plus accrued interest will be payable in annual installments for up to twenty years. The City has the right to prepay principal at any time without a penalty. Interest accrues at 1% per annum during the construction period.

A supplemental loan agreement has been executed between the City and State for \$20,840,577. This represents the borrowed amount of \$9,500,000 on agreement #1 and \$11,000,000 on agreement #2 plus accrued interest of \$340,577 on the two agreements. A 20-year amortization schedule commencing on July 30, 1995 with an interest rate of 4.168% has been established.

A final supplemental loan agreement for \$1,561,537 has been executed between the City and State. This represents the borrowed amount of \$1,553,000 plus accrued interest of

CITY OF MANCHESTER, NEW HAMPSHIRE
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\$85,37. A 5-year amortization schedule commenced on August 1, 1996 with interest rate of 1.448%.

ACKNOWLEDGEMENTS

I would like to thank all of the City's department heads, payroll and account clerks for completion of another successful year. I would especially like to thank the staff of the Finance Department for their attention to detail and dedication.

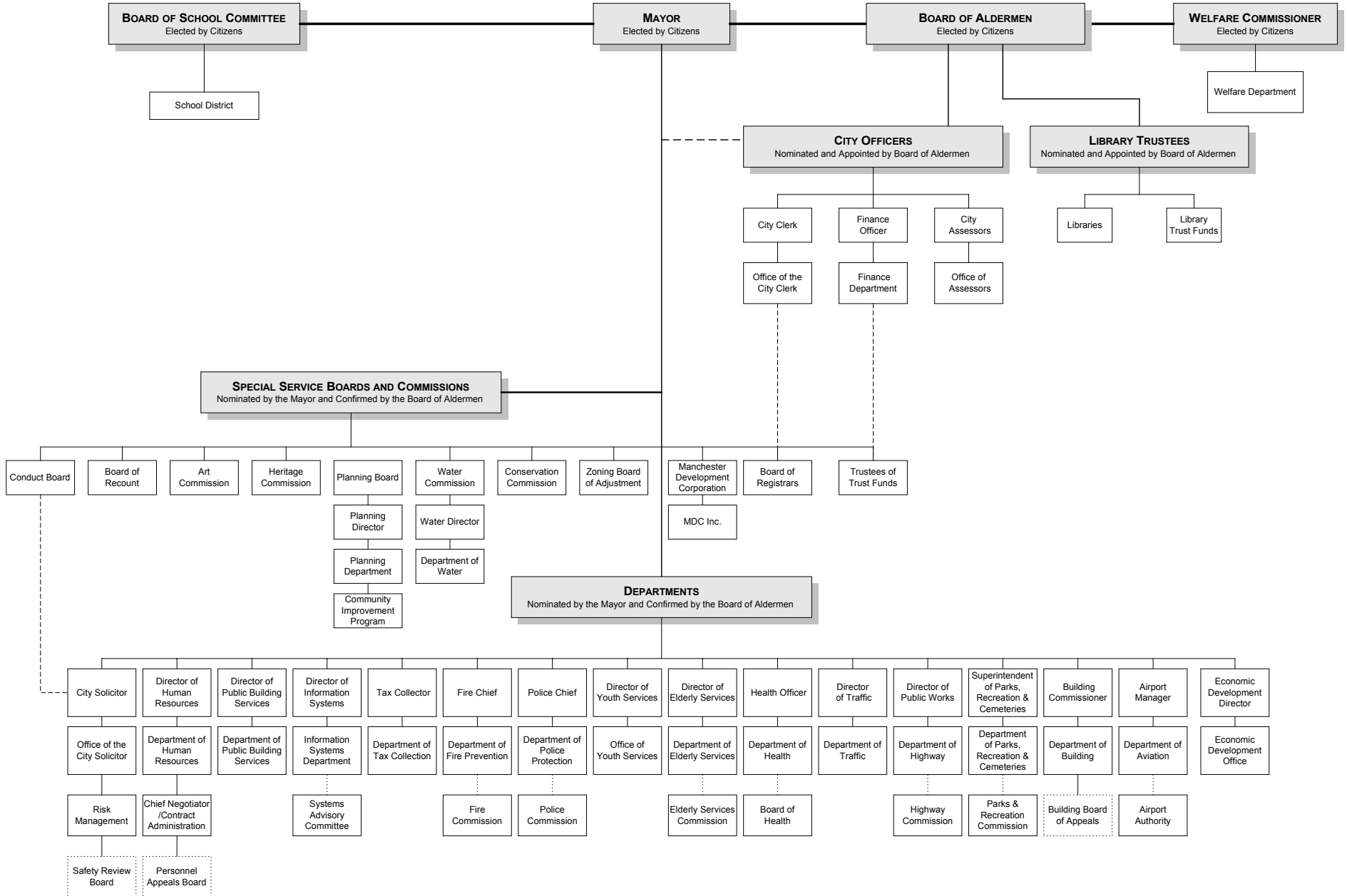
Respectfully submitted,

Kevin A. Clougherty
Finance Officer



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CITY OF MANCHESTER NEW HAMPSHIRE ORGANIZATION CHART



**List of Principal Officials
in office at the close of fiscal year ended June 30, 1999**

Mayor

Raymond J. Wieczorek

Aldermen

Ward 1	David M. Wihby *	Ward 7	William P. Shea
Ward 2	Cheryl L. Klock	Ward 8	Robert R. Rivard
Ward 3	Timothy S. Reiniger	Ward 9	Robert J. Pariseau
Ward 4	Mary A. Sysyn	Ward 10	William B. Cashin
Ward 5	James J. Clancy	Ward 11	Henry R. Thibault
Ward 6	Real R. Pinard	Ward 12	Keith Hirschmann
At-large	Richard H. Girard	At-large	Daniel P. O'Neil

* Chairman of the Board

City Departments

Finance Officer	Kevin A. Clougherty
Deputy Finance Officer	Randy M. Sherman, CPA
Second Deputy Finance Officer	Joanne L. Shaffer
City Clerk	Leo R. Bernier
Deputy City Clerk	Carol A. Johnson
City Solicitor	Thomas R. Clark
Assistant City Solicitor	Thomas I. Arnold, III
City Coordinator	Vacant
Commissioner of Welfare	Susan G. Lafond
Police Chief	Mark L. Driscoll
Fire Chief	Joseph P. Kane
Health Officer	Frederick Rusczech, M.P.H.
Director of Public Works	Frank C. Thomas, P.E.
Director of Parks & Recreation & Cemetery	Ronald E. Ludwig
Building Commissioner	Leon LaFreniere
Director of Public Buildings Services	Richard L. Houle
Director of Traffic	Thomas P. Lolicata
Director of Airport (Interim)	Michael F. Farren
Director of Water	Thomas M. Bowen, P.E.
Director of Information Systems	Diane Prew
Director of City Library	John A. Brisbin
Director of Planning Board	Robert S. Mackenzie
Superintendent of Schools	Normand Tanguay
Director of Human Resources	Mark Hobson
Director of Elderly Services	Barbara A. Vigneault
Director of Youth Services	Regis Lemaire
Chairman Board of Assessors	Steven G. Tellier
Tax Collector	Joan A. Porter

FINANCIAL SECTION



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

11 Trafalgar Square

Nashua, NH 03063-1974

Tel (603) 882-1111 • Fax (603) 882-9456

INDEPENDENT AUDITORS' REPORT

To the Board of Mayor and Aldermen
City of Manchester, New Hampshire

We have audited the accompanying general purpose financial statements of the City of Manchester, New Hampshire, as of and for the year ended June 30, 1999 (and as of and for the year ended December 31, 1998 for the Pension Trust Fund). These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Manchester Transit Authority (MTA), included in the "Component Units" column, or the Manchester Development Corporation (MDC), included in the "Special Revenue Fund" column of the general purpose financial statements. The MTA reflects 5% of the discretely presented component units' assets and 29% of revenues, and the MDC reflects 24% of the special revenue fund assets. The MTA was audited by other auditors, whose report was furnished to us, and our opinion, insofar as it relates to MTA data, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, and except for the effects of such adjustments, if any, as might have been determined to be necessary had we audited the MDC, the general purpose financial statements

referred to above present fairly, in all material respects, the financial position of the City of Manchester, New Hampshire, as of June 30, 1999 and the results of its operations, and cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles.

The year 2000 supplementary information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City is or will become year 2000 compliant, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which City does business are or will become year 2000 compliant.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information included in the combining schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Manchester, New Hampshire.. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Nashua, New Hampshire
January 7, 2000

**GENERAL PURPOSE
FINANCIAL STATEMENTS**



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Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Units

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Enterprise
<u>Assets</u>				
Cash and cash equivalents	\$ 23,076,980	\$ 4,607,174		\$ 24,384,859
Restricted cash and cash equivalents	1,152,189	343,605	\$ 198,563	6,555,278
Investments	2,928,868	1,134,760		67,927,513
Receivables	12,176,547	5,203,519	4,651	18,160,826
Prepaid expenses	15,444			1,947,563
Due from other funds	29,518,100			326,201
Inventories	442,151			622,237
Property and equipment, net				322,899,042
Other debits:				
Amounts to be provided for:				
Bonds payable				
Compensated absences				
Insurance claims				
Insurance claims from general fund rese				
Supplemental benefits payable at retirem				
Interest on capital appreciation bonds				
Old system and NHRS supplemental ber				
Landfill closure and post-closure care				
Total Assets & Other Debits	<u>\$ 69,310,279</u>	<u>\$ 11,289,058</u>	<u>\$ 203,214</u>	<u>\$ 442,823,519</u>

See accompanying notes.

Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Discrete Component Units	Total Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long-Term Debt			
\$ 890,528			\$ 52,959,541	\$ 1,480,699	\$ 54,440,240
			8,249,635		8,249,635
17,922,953			89,914,094	83,595,706	173,509,800
303,292			35,848,835	798,794	36,647,629
			1,963,007	103,672	2,066,679
			29,844,301		29,844,301
			1,064,388	240,136	1,304,524
	\$ 172,532,984		495,432,026	2,194,613	497,626,639
		\$ 107,348,779	107,348,779		107,348,779
		14,442,028	14,442,028		14,442,028
		4,241,699	4,241,699		4,241,699
		1,357,286	1,357,286		1,357,286
		1,971,872	1,971,872		1,971,872
		4,297,464	4,297,464		4,297,464
		19,321,190	19,321,190		19,321,190
		19,734,216	19,734,216		19,734,216
\$19,116,773	\$ 172,532,984	\$ 172,714,534	\$887,990,361	\$88,413,620	\$ 976,403,981

Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Units

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Enterprise
<u>Liabilities and Fund Equity</u>				
Liabilities				
Accounts and warrants payable	\$ 2,753,108	\$ 255,413	\$ 470,526	\$ 9,964,331
Retainage payable	4,340	5,950	208,561	3,712,610
Accrued liabilities	1,621,053	216,809		7,347,385
Insurance claims payable	1,121,366			
Due to other funds		6,111,766	11,056,081	11,772,005
Deferred revenue	5,749,477	27,356		2,219
Taxes collected in advance	45,553,404			
Amount payable for pension benefits				
Bonds and notes payable				196,421,507
Accrual for compensated absences				1,088,050
Accrual for supplemental benefits payable at retir				
Old system and NHRS supplemental benefits				1,937,605
Accrual for interest on capital appreciation bonds				
Accrual for landfill closure and post-closure care				
Other	2,140,249	77,957	17,981	556,603
Total Liabilities	58,942,997	6,695,251	11,753,149	232,802,315
<u>Equity and Other Credits</u>				
Investment in General Fixed Assets				
Contributed capital				129,177,621
Retained earnings				
Reserved				5,398,299
Unreserved				75,445,284
Fund balances				
Reserved for				
Encumbrances	1,567,636	144,121		
Cemetery and other trust funds				
Library				
Workers' compensation	140,089			
General liability insurance	1,217,197			
Employees' Retirement System				
Inventory	442,151			
Advances	1,022,239			
Unreserved				
Revenue stabilization	5,511,747			
Undesignated fund balance	466,223	4,449,686	(11,549,935)	
Total Equity and Other Credits	10,367,282	4,593,807	(11,549,935)	210,021,204
Total Liabilities, Equity and Other Credits	\$ 69,310,279	\$ 11,289,058	\$ 203,214	\$ 442,823,519

See accompanying notes.

Fiduciary Fund Type Trusts & Agency	Account Groups		Total Primary Government (Memorandum only)	Discrete Component Units	Total Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long-Term Debt			
			\$ 13,443,378	\$ 214,082	\$ 13,657,460
			3,931,461		3,931,461
			9,185,247	333,594	9,518,841
		\$ 5,598,985	6,720,351		6,720,351
\$ 904,449			29,844,301		29,844,301
			5,779,052		5,779,052
			45,553,404		45,553,404
				261,990	261,990
		107,348,779	303,770,286	5,257	303,775,543
		14,442,028	15,530,078		15,530,078
		1,971,872	1,971,872		1,971,872
		19,321,190	21,258,795		21,258,795
		4,297,464	4,297,464		4,297,464
		19,734,216	19,734,216		19,734,216
			2,792,790		2,792,790
904,449		172,714,534	483,812,695	814,923	484,627,618
	\$ 172,532,984		172,532,984		172,532,984
			129,177,621	885,014	130,062,635
			5,398,299	1,433,935	6,832,234
			75,445,284	1,829,710	77,274,994
			1,711,757		1,711,757
3,290,476			3,290,476		3,290,476
2,978,776			2,978,776		2,978,776
			140,089		140,089
			1,217,197		1,217,197
				83,450,038	83,450,038
			442,151		442,151
			1,022,239		1,022,239
			5,511,747		5,511,747
11,943,072			5,309,046		5,309,046
18,212,324	172,532,984		404,177,666	87,598,697	491,776,363
\$ 19,116,773	\$ 172,532,984	\$ 172,714,534	\$ 887,990,361	\$ 88,413,620	\$ 976,403,981

**Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund**

	General Fund	Special Revenue Funds
<u>Revenues</u>		
Taxes	\$ 117,348,501	\$ 157,490
Federal and state grants and aid	17,963,054	10,053,654
Nonenterprise charges for sales and services	14,138,976	1,319,780
Licenses and permits	14,969,847	
Interest	1,989,669	(38,388)
Contributions		
Other	1,384,046	196,082
Total Revenues	167,794,093	11,688,618
<u>Expenditures</u>		
Current:		
General government	15,082,402	3,731,178
Public safety	28,775,663	981,435
Health and sanitation	1,984,397	498,235
Highway and streets	17,426,902	1,885,631
Welfare	932,944	151,373
Education	79,988,320	7,823,424
Parks and recreation	2,411,070	598,780
Cemetery Trust		
Investment management fee		
Debt service:		
Principal retirement	13,893,514	
Interest	5,840,166	
Total Expenditures	166,335,378	15,670,056
Excess (deficiency) of revenues over expenditures	1,458,715	(3,981,438)
<u>Other Financing Sources (Uses)</u>		
Operating transfers in		1,677,826
Operating transfers out	(1,677,826)	
Total Other Financing Sources (Uses)	(1,677,826)	1,677,826
Excess/(Deficiency) of revenues and other financing sources over expenditures and other financing uses	(219,111)	(2,303,612)
Fund Balance, beginning of year	10,586,393	6,897,419
Fund Balance, end of year	\$ 10,367,282	\$ 4,593,807

See accompanying notes.

City of Manchester, New Hampshire
Year Ended June 30, 1999

Capital Projects Fund	Expendable Trust Fund	Total (Memorandum Only)
		\$ 117,505,991
\$ 1,788,458		29,805,166
		15,458,756
		14,969,847
	\$ 224,340	2,175,621
	3,204,578	3,204,578
		1,580,128
1,788,458	3,428,918	184,700,087
8,426,220	1,785,890	29,025,690
361,149		30,118,247
122,700		2,605,332
3,440,774		22,753,307
		1,084,317
7,909,105		95,720,849
843,668		3,853,518
	28,500	28,500
	2,272	2,272
		13,893,514
		5,840,166
21,103,616	1,816,662	204,925,712
(19,315,158)	1,612,256	(20,225,625)
		1,677,826
		(1,677,826)
(19,315,158)	1,612,256	(20,225,625)
7,765,223	1,678,220	26,927,255
\$ (11,549,935)	\$ 3,290,476	\$ 6,701,630



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**General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Budget Basis)**

**City of Manchester, New Hampshire
Year Ended June 30, 1999**

	Budget	Actual	Variance favorable (unfavorable)
<u>Revenues</u>			
Taxes	\$ 112,790,763	\$ 116,266,335	\$ 3,475,572
Federal and state grants and aid	17,491,752	16,814,759	(676,993)
Nonenterprise charges for sales and services	15,995,248	14,138,976	(1,856,272)
Licenses and permits	15,162,516	14,969,847	(192,669)
Interest	2,733,101	1,989,669	(743,432)
Other	1,270,682	1,384,046	113,364
Total Revenues	165,444,062	165,563,632	119,570
<u>Expenditures</u>			
Current:			
General government	14,669,156	15,617,661	(948,505)
Public safety	27,608,382	27,600,924	7,458
Health and sanitation	2,036,542	1,992,460	44,082
Highway and streets	17,790,309	17,544,528	245,781
Welfare	1,183,606	985,443	198,163
Education	79,726,962	79,330,512	396,450
Parks and recreation	2,468,221	2,392,791	75,430
Debt service:			
Principal retirement	13,893,514	13,893,514	
Interest	5,840,170	5,840,166	4
Total Expenditures	165,216,862	165,197,999	18,863
 Excess of revenues over expenditures	 227,200	 365,633	 138,433
<u>Other Financing Sources (Uses)</u>			
Transfers out	(1,527,200)	(1,677,826)	(150,626)
Total Other Financing Sources (Uses)	(1,527,200)	(1,677,826)	(150,626)
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 \$ (1,300,000)	 \$ (1,312,193)	 \$ (12,193)

See accompanying notes.

**Combined Statement of Revenues, Expenses,
and Changes in Equity/Retained Earnings/Fund Balances -
All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units**

	Proprietary Fund Type	Fiduciary Type Nonexpendable Trusts
	Enterprise	
<u>Revenues</u>		
Charges for goods and services	\$38,919,789	
Interest and dividends		\$ 1,048,737
Contributions	343,134	113,783
Net gain on sale of securities		82,442
Other	1,266,046	
Total Revenues	40,528,969	1,244,962
<u>Expenses</u>		
Personnel services	6,541,767	
Plant maintenance	9,990,373	
Light/heat and power	3,756,680	
General and administrative	5,753,003	84,051
Depreciation and amortization	10,793,896	
Soundproofing program expense		
Cemetery		313,900
Investment management fee		26,722
Benefit payments		
Total Expenses	36,835,719	424,673
Operating income	3,693,250	820,289
<u>Non-operating Revenues (Expenses), net</u>		
Soundproofing program grant	1,333,765	
Soundproofing program expense	(1,723,819)	
Interest income	4,748,374	
Interest expense	(3,785,132)	
Passenger facility charges	3,785,854	
Rent and other income	157,742	
Net Non-operating Revenues (Expenses)	4,516,784	
Net Income	8,210,034	820,289
Add depreciation on fixed assets acquired by grants and individual contributions externally restricted for capital acquisitions and construction that reduces contributed capital	6,050,391	
Increase in Retained Earnings/Fund Balance	14,260,425	820,289
Retained Earnings/Fund Balances, beginning of year	66,583,158	14,101,559
Retained Earnings/Fund Balances, end of year	\$80,843,583	\$ 14,921,848

See accompanying notes.

Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
\$ 38,919,789	\$ 1,879,893	\$ 40,799,682
1,048,737		1,048,737
456,917	2,800,098	3,257,015
82,442	7,181,102	7,263,544
1,266,046		1,266,046
41,773,931	11,861,093	53,635,024
6,541,767	2,430,187	8,971,954
9,990,373	453,143	10,443,516
3,756,680	71,633	3,828,313
5,837,054	603,992	6,441,046
10,793,896	524,740	11,318,636
313,900		313,900
26,722	481,991	508,713
	3,343,781	3,343,781
37,260,392	7,909,467	45,169,859
4,513,539	3,951,626	8,465,165
1,333,765		1,333,765
(1,723,819)		(1,723,819)
4,748,374	1,343,677	6,092,051
(3,785,132)		(3,785,132)
3,785,854		3,785,854
157,742		157,742
4,516,784	1,343,677	5,860,461
9,030,323	5,295,303	14,325,626
6,050,391	189,416	6,239,807
15,080,714	5,484,719	20,565,433
80,684,717	81,228,964	161,913,681
\$ 95,765,431	\$86,713,683	\$182,479,114

**Combined Statement of Cash Flows -
All Proprietary Fund Types, Similar Trust Funds
and Discretely Presented Component Units**

	Proprietary Fund Type Enterprise
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 41,273,158
Contributions	(1,109,872)
Cash payments for goods and services	(23,477,820)
Cash payments to employees for services	(4,666,187)
Other operating revenues	27,253
Net Cash Provided by Operating Activities	11,028,317
<u>Cash Flows from Non-Capital and Related Financing Activities</u>	
Amounts from federal & state governments for soundproofing	1,328,890
Soundproofing related expenses	(1,713,505)
Receipt of operating assistance	
Passenger facility charges	3,785,854
Short-term cash advance from City	1,098,327
Net Cash Provided by Non-Capital & Related Financing Activities	4,499,566
<u>Cash Flows from Capital and Related Financing Activities</u>	
Proceeds from restricted cash	(173,611)
Proceeds from general obligation bonds	122,125,723
Proceeds from State of New Hampshire Revolving Fund	9,631,303
Principal paid on bonds	(3,966,483)
Interest paid on bonds	(4,422,323)
Contributed capital by federal, state & local governments	8,517,701
Acquisition and construction of capital assets	(85,315,944)
Net Cash Provided (Used) by Capital & Related Financing Activities	46,396,366

City of Manchester, New Hampshire
Year Ended June 30, 1999
Continued

Nonexpendable Fiduciary Fund Type Trusts	Total (Memorandum Only)	Manchester Transit Authority
	\$ 41,273,158	\$ 1,981,779
\$ 113,783	(996,089)	
(93,265)	(23,571,085)	(1,391,894)
	(4,666,187)	(1,722,148)
546,657	573,910	
567,175	11,595,492	(1,132,263)
	1,328,890	
	(1,713,505)	
	-	1,516,378
	3,785,854	
	1,098,327	
-	4,499,566	1,516,378
	(173,611)	
	122,125,723	
	9,631,303	
	(3,966,483)	
	(4,422,323)	
	8,517,701	50,450
	(85,315,944)	(22,725)
-	46,396,366	27,725

**Combined Statement of Cash Flows -
All Proprietary Fund Types, Similar Trust Funds
and Discretely Presented Component Units**

	Proprietary Fund Type Enterprise
<u>Cash Flows from Investing Activities</u>	
Purchase of investment securities	(64,589,794)
Proceeds from sale and maturities of investment securities	3,307,848
Interest and dividends from investments	1,526,075
Net Cash Provided by Investing Activities	(59,755,871)
Net Increase in Cash and Cash Equivalents	2,168,378
Restricted cash	6,480,313
Cash and cash equivalents at beginning of period	22,291,446
Cash and Cash Equivalents at End of Period	\$ 30,940,137
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	3,687,811
Adjustments to reconcile operating income (loss) to cash provided by operating activities:	
Depreciation and amortization	10,793,896
Non-operating revenue	27,253
Change in Assets and Liabilities	
(Increase) in receivables	699,943
Decrease in inventories	(21,233)
(Increase) in prepaid expenses and other assets	(900,313)
(Decrease) in accounts payable	(6,220,354)
Increase in accrued and other liabilities	3,818,054
Increase in compensated absences	159,254
Increase (decrease) in interfund liabilities	
Net Cash Used by Operating Activities	\$ 11,028,315

See accompanying notes.

City of Manchester, New Hampshire
Year Ended June 30, 1999
Continued

Nonexpendable Fiduciary Fund Type <u>Trusts</u>	Total (Memorandum Only) <u>Only)</u>	Manchester Transit Authority <u>Authority</u>
(10,939,662)	(75,529,456)	
10,890,066	14,197,914	
580,844	2,106,919	41,457
531,248	(59,224,623)	41,457
1,098,423	3,266,801	453,297
	6,480,313	
400,360	22,691,806	1,027,402
\$ 1,498,783	\$ 32,438,920	\$ 1,480,699
472,151	4,159,962	(1,768,097)
	10,793,896	524,740
(259,079)	(231,826)	
41,253	741,196	288,772
	(21,233)	20,689
	(900,313)	(195,727)
	(6,220,354)	7,122
	3,818,054	(9,762)
	159,254	
312,850	312,850	
\$ 567,175	\$ 11,595,490	\$ (1,132,263)



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**NOTES TO
GENERAL PURPOSE
FINANCIAL STATEMENTS**

City of Manchester, New Hampshire
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies

The general purpose financial statements of the City of Manchester (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units.

A. Reporting Entity

The City was incorporated in June of 1846 and operates as a municipal corporation governed by an elected mayor and a fourteen (14) member aldermanic board. The City's general purpose financial statements include all entities for which the City is financially accountable, and other organizations of the City for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board ("GASB") Statement 14 has set forth criteria to be considered in determining financial accountability. This criteria includes whether the City, as the primary government, has appointed a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

The City has three component units - Manchester Development Corporation, Manchester Transit Authority and the City of Manchester Employees' Contributory Retirement System. Using the criteria of GASB Statement No. 14, management determined that the Manchester Development Corporation should be blended into the primary governmental funds, the Manchester Transit Authority and the City of Manchester Employees' Contributory Retirement System should be discretely presented. The nature and relationship of the City's component units are disclosed in the following sections.

Blended Component Units

Manchester Development Corporation (MDC) - The MDC was created by the Board of Mayor and Aldermen (BMA) as a public corporation for the purpose of developing economic opportunities for the City. The MDC Board of Directors is comprised of twelve (12) members, all of whom shall be nominated by the Mayor and confirmed by the Board of Aldermen of the City.

The MDC is a blended component unit reported in the Special Revenue Funds.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units

Manchester Transit Authority (MTA) - The MTA was created by the BMA to provide a public transportation system for the citizens of the City. The MTA is overseen by a five-member board appointed by the BMA. The MTA, a June 30 year-end, was audited by other independent auditors, and their report, dated September 17, 1999, has been issued under separate cover.

City of Manchester Employees' Contributory Retirement System (the "New System") - The New System was created by the BMA for the purpose of administering the assets of the employees' contributory retirement system. The New System's Board of Trustees consists of seven members, as follows: the City Finance Officer, the Mayor, one person appointed by the Board of Aldermen, two citizens of the City - one appointed by the Mayor, one elected by the New System members and two New System members also elected by the New System members. The New System, a December 31 year end, was audited by other independent auditors for the year ended December 31, 1998, and their report, dated March 1, 1999, has been issued under separate cover.

Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Manchester Transit Authority
110 Elm Street
Manchester NH 03101-2799

City of Manchester Employees' Contributory Retirement System
1838 Elm Street
Manchester NH 03104

B. Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable or available financial resources.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate "fund types". The City has the following fund types and account groups:

Governmental Fund Types

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in certain trust funds). The measurement focus is based upon determination of changes in financial position and the flow of current financial resources. Following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all transactions not accounted for in other prescribed funds and account groups.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or designated for specific functions or activities.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of capital assets other than those financed by the enterprise funds.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus of proprietary funds is upon determination of net income, financial position, and cash flow. The Enterprise Funds are included in this category.

Enterprise Funds - The City uses enterprise funds to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is for the costs of providing goods or services to the general public on a continuing basis be recovered or financed primarily through user charges.

Regulatory Authorities

Water Works, the City's water department uses guidelines for water utility accounting set forth by the New Hampshire Public Utilities Commission. Certain operations of Water Works are subject to regulation with respect to accounting and rates established by the New Hampshire Public Utilities Commission.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

Fiduciary Fund Types

Fiduciary fund types account for assets held by the City as a trustee or agent. Fiduciary funds include agency funds, expendable trust funds, and nonexpendable trust funds.

Agency Funds - Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals or other governmental units and/or other funds. The measurement focus of agency funds is the same as for the governmental funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operation.

Expendable trust funds - The measurement focus of the expendable trust funds is the same as the governmental funds. Expendable trust funds account for assets where both the principal and interest may be spent.

Nonexpendable Trust and Pension Trust Funds - The measurement focus is similar to proprietary funds. Nonexpendable trust funds account for assets of which the principal may not be spent. The Pension Trust fund accounts for the assets of the New System.

Account Groups

In addition to the three broad types of governmental funds, the City also maintains two account groups as described below:

General Fixed Assets Account Group - Fixed assets acquired by the City in the performance of its operations, other than operations accounted for in the Proprietary Fund Type and the Trust Funds, are reflected in the General Fixed Assets account group.

Fixed assets used in governmental fund type operations are recorded at historical cost if purchased or constructed. Donated assets are recorded at an estimated market value as of the date of donation. Infrastructure fixed assets are not capitalized and are therefore excluded from the General Fixed Assets account group.

General Long-Term Debt - The General Long-Term Debt account group is used to account for general government unmatured, long-term, general obligation bonds payable, compensated absences, insurance claims, supplemental retirement benefits, interest on capital appreciation bonds, "Old System" pension liabilities, and landfill closure and post-closure costs. Payments of principal and interest on long-term debt are recorded in the general fund.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

Governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Revenues susceptible to accrual are property taxes, licenses, interest, and charges for services. The government considers property taxes as available if they are collected within 60 days after year-end. Likewise, the City records a general fund liability for tax abatements and refunds issued within 60 days after year-end. Fines, permits, and parking meter revenues are not susceptible to accrual, because they are generally not measurable until received.

Expenditures are recorded when the related liability is incurred except, principal and interest on general long-term debt which are recorded as liabilities when due.

Certain federal grants, made on the basis of entitlement periods, are recorded as receivables and revenues when the entitlement occurs. Other federal grants made on a reimbursement basis are recorded as receivables and revenues when the related expenditures are incurred.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary fund types and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred (flow of economic resources measurement focus).

D. Cash and Cash Equivalents

New Hampshire Revised Statutes Annotated (RSA) Chapter 48:16, as amended, establishes the policy the City must adhere to when investing City funds. With approval of the BMA, the Finance Officer, acting as Treasurer, may invest in obligations of the United States government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire (the State), in participation units of the New Hampshire Public Deposit Investment Pool (NH-PDIP), in certificates of deposit of banks incorporated under the laws of the State, or in national banks located in New Hampshire or the Commonwealth of Massachusetts. RSA 48:16 does not allow the City to enter into reverse repurchase agreements.

Investments are stated at fair market value.

The City’s cash and cash equivalents represent short-term investments with an initial maturity of three months or less.

The MDC's investments consist primarily of United States Treasury Notes and certificates of deposits. MDC may invest in marketable securities.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

E. Restricted Cash and Cash Equivalents

Restricted cash includes retainage amounts due to contractors upon completion of various construction projects where contractual third party restrictions exist. Also included in the restricted cash are deposits made by surrounding towns based on intermunicipal agreements with the Environmental Protection Division (wastewater facility), as well as restricted amounts resulting from bond covenants for the 1992 State Guaranteed Airport Revenue Bonds and the 1998 General Airport Revenue Bonds.

F. Restricted Investments

Certain amounts in the Aviation Fund have been restricted for specific purposes resulting from Bond covenants for the 1992 State Guaranteed Airport Revenue Bonds and the 1998 General Airport Revenue Bonds. Certain portions of these amounts are not reflected in the Statement of Cash Flows as they are directly offset with a related liability.

The proceeds of the 1998 General Airport Revenue Bonds, as well as certain resources set aside for their repayment and the repayment of the 1992 State Guaranteed Airport Revenue Bonds, are classified as restricted assets on the balance sheet because their use is limited by a Loan and Trust Agreement. The "Bond Fund" is used to segregate resources accumulated for debt service payments on the given maturity dates. The "Bond Reserve Account" is used to report resources set aside to make up potential future deficiencies in the Bond Fund. The "Operation and Maintenance Reserve Account" is established for purposes of reporting resources set aside for the payment of operating expenses should there be a shortfall in revenues. The "Renewal and Replacement Account" is established to set aside resources to meet unanticipated or emergency repairs. The "Surplus Account" is established to deposit the remaining monthly balance, if any, after making all deposits then required into the other funds and accounts.

A "Rebate Fund" also would be used to report any excess interest earned on nonpurpose investments (as defined in Section 148 of the Internal Revenue Code of 1986, as amended).

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items. No portion of the funds' balances have been reserved to indicate that it is not available for appropriation, since the total was not considered material.

H. Inventories

The Highway Department, a component of the City's General Fund, began using the consumption method for inventory during the fiscal year ended June 30, 1998. Inventory for the Highway Department is recorded at cost on a First-in, First-out basis. A portion of the fund balance has been reserved.

The remaining cost of inventories in governmental fund types is recorded as expenditures when purchased ("Purchase Method"). The Environmental Protection Division (EPD) Fund and Water Works Fund are the only enterprises that record inventories. Inventories in these enterprise funds are stated at the lower- of-cost (First-in, First-out method) or market.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

I. Property and Equipment

General Fixed Assets - Fixed assets used in governmental fund type operations are recorded at historical cost if purchased or constructed. Assets received through donation are recorded at estimated market value as of the date of donation. Assets are capitalized and considered fixed assets if they have a value greater than \$500 and a useful life greater than or equal to three (3) years. Assets in the General Fixed Assets account group are not depreciated.

Infrastructure assets are fixed assets that are immovable and only of value to the government. Infrastructure assets consist of roads and bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Infrastructure assets are not capitalized and therefore are excluded from the General Fixed Assets account group.

Construction in Progress - Construction projects financed by general obligation bonds, excluding those supported by proprietary fund revenues, are recorded as expenditures in the Capital Project Fund. Incomplete capital projects are recorded in the General Fixed Assets account group as construction-in-progress. Incomplete proprietary projects are recorded as construction-in-progress (a component of property and equipment) in the respective fund.

Proprietary and Similar Trust Fund Fixed Assets - Property and equipment in the enterprise funds are recorded at cost, or if donated, at estimated fair market value on the date received. The Department of Aviation, Water Works and Department of Recreation (enterprise fund portion) capitalize assets with values greater than \$500 and a useful life greater than or equal to three (3) years. EPD capitalizes assets with values greater than \$5,000 and a useful life greater than or equal to three (3) years.

Assets acquired by the enterprise funds are subject to depreciation. Each enterprise fund is responsible for the accounting and recording of depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	15 to 60 years
Improvements	5 to 30 years
Equipment	5 to 15 years
Vehicles	3 to 10 years
Interceptors (EPD)	50 years

J. Capitalized Interest

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period. For the year ended June 30, 1999, net interest cost capitalized in the Environmental Protection Division Fund and Aviation Fund amounted to approximately \$8,500 and \$4,680,000, respectively, which was comprised entirely of interest expense.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

K. Compensated Absences

The liability for compensated absences, which represents the City's commitment to fund such costs from future operations, is reported in the General Long-term Debt account group. The liability reported as compensated absences includes vested or accumulated vacation leave and sick leave benefits that are not expected to be liquidated with current fiscal year available financial resources. In addition, teachers summer pay for the months of July and August are included in the General Long-term Debt account group. Vested or accumulated vacation and sick leave of the enterprise funds are recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick-pay benefits. However, a liability is recognized for that portion of accumulating sick-leave benefits that it is estimated will be taken as terminal leave prior to retirement.

L. Insurance

The City is self-insured for health care claims, workers' compensation and general liability. Health care claims are recorded as expenditures as claims are paid. Workers' compensation and general liability claims are recorded in the General Fund and other applicable funds as expenditures when paid. At year end all claims settled but unpaid are recorded as liabilities in the General Fund and estimated liabilities for claims not settled are reflected in the General Long-term Debt account group.

In addition, health insurance coverage similar to that available to other City employees is available to retirees at their own expense.

The City's has purchased a separate insurance policy for the general liability of the airport.

M. Revenue Stabilization

Per City Ordinance, Section 35.084, a revenue stabilization reserve account was established in the General Fund. At the close of each fiscal year, one-half of any General Fund operating surplus shall be transferred by the Finance Officer to a special nonlapsing revenue stabilization reserve account.

In the event of a General Fund operating deficit at the close of any fiscal year the Finance Officer shall notify the BMA of such deficit and request that sufficient funds, to the extent available, be transferred from the revenue stabilization reserve account to eliminate such deficit. Such a transfer shall be requested only when both of the following conditions have been met:

- (i) A General Fund operating deficit occurred for the most recently completed fiscal year; and
- (ii) Unrestricted General Fund revenues in the most recently completed fiscal year were less than the budget forecast.

The amount of said transfer requested shall not exceed a sum equal to the lower of the amount of the deficit in subparagraph (i) or the revenue shortfall in subparagraph (ii). Upon receipt of approval from the BMA, the Finance Officer shall immediately transfer the sums so approved to the General Fund undesignated fund balance.

No available balance in the revenue stabilization reserve account shall be utilized for any other purpose other than those authorized above, without the specific approval of two-thirds of the aldermen elect.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies (continued)

If, after all the requirements have been met and the balance in the revenue stabilization reserve account is in excess of an amount equal to 5 percent of the actual General Fund operating expenditures for the most recently completed fiscal year, then such excess shall be transferred, without further action, to the General Fund unrestricted fund balance.

N. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers, which are included in the results of operations of both governmental and proprietary funds. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

Nonrecurring transfers of equity between funds are treated as additions and deductions to the fund balance of governmental funds. Residual equity transfers to proprietary funds are treated as contributed capital and such transfers from proprietary funds are reported as reductions of retained earnings.

O. Long-Term Debt

The City reports long-term debt of governmental funds at face value in the General Long-term Debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the General Long-term Debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

P. Investment Income

Income earned on investments in the Capital Projects Fund and most special revenue funds is recorded as income of the General Fund.

Q. Interpretation of Total (“Memorandum Only”) Columns

Total columns on the combined financial statements captioned “Memorandum Only” have been added to certain statements for the primary government and the reporting entity. The total columns include interfund activity and are not comparable to consolidated financial statements, but are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. The primary government includes the blended component units and all funds, organizations, account groups, agencies, boards, commissions and authorities that are not legally separate from the City. The reporting entity includes the primary government and its component units.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Pursuant to the City's Charter, Section 6.01, the City adopts an annual budget for all General Fund functions and certain enterprise functions (the Water Works enterprise fund operates on a nonappropriated budgetary basis). The special revenue and capital project funds are appropriated through a five-year capital improvement plan.

All portions of the annual budget, including the School Department, are prepared under the direction of the Mayor. The Mayor establishes the procedures applicable to the preparation and adoption of the annual budget. Budgets include all proposed expenditures and the proposed use of all anticipated revenues. All departments, agencies, and officers submit detailed statements of departmental budget requests to the Mayor per established procedures.

The Mayor develops budget recommendations on appropriations and revenues and submits the recommendations to the BMA on or before the last day of March of each year. Departmental appropriations are made on a bottom-line basis. Benefits and non-departmental items are appropriated apart from the departmental budgets.

The Finance Committee of the BMA reviews the proposed budget recommendations presented by the Mayor. The BMA may increase, reduce or reject any item in the budget submitted by the Mayor. A public hearing is required to be conducted. A majority vote of the BMA is required to adopt the budget appropriation resolutions and is to be completed not later than the second Tuesday in June. The Mayor has line item veto authority.

If the BMA fail to adopt appropriation resolutions, the budget, as originally submitted by the Mayor, shall become the budget.

If during the fiscal year the Mayor certifies, after consultation with and verification by the Finance Officer, that there are available for appropriation revenues in excess of those estimated in the budget, the BMA may make supplemental appropriations for the year up to the amount of such excess, after observing the budget procedures set forth in section 6.04 of the City Charter.

If at any time during the fiscal year it appears probable to the Mayor, after consultation with and verification by the Finance Officer, that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the Mayor shall report to the BMA without delay, indicating the estimated amount of the deficit, any remedial action taken by the Mayor and recommendations as to any other steps to be taken. The BMA shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may reduce one or more appropriations.

Budget control is established by object categories within the departmental budgets. Departmental budget transfers from one object category to another must be approved by the Finance Officer prior to approval of the BMA. The Finance Officer is responsible for establishing controls related to the management and monitoring of the budget to prevent expenditures from exceeding budgeted appropriations.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

2. Stewardship, Compliance and Accountability (continued)

The City employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statements of Revenues and Expenditures - Budgetary Basis, presents the "actual" results to provide a comparison with the budgets.

The major differences between the budgetary basis and the GAAP basis are:

(a) Revenues are recorded when cash is received (budgetary), as opposed to when susceptible to accrual (GAAP).

(b) Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no firm liability exists.

B. Budget/GAAP Reconciliation

Reconciliation of the reported revenues and expenditures of the general fund between the budgetary basis and the GAAP basis are presented below:

	<u>Revenues</u>	<u>Expenditures</u>
Statement of revenues and expenditures and changes in fund		
balance - budgetary basis	\$ 165,563,632	\$ 165,197,999
Current year encumbrances		(1,561,051)
State retirement contributions	1,148,295	1,148,295
Tax revenues of 1998 recognized in 1999	4,946,085	
Tax revenues of 1999 deferred until 2000	(3,863,919)	
Non-budgeted revenues and expenditures - other		189,564
Expenditures of prior year encumbrances		1,360,571
Statement of revenues, expenditures and changes in fund		
balances (in conformity with GAAP)	<u>\$ 167,794,093</u>	<u>\$ 166,335,378</u>

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

3. Cash, Cash Equivalents and Investments

Primary Government

The City pools substantially all cash, except for separate cash accounts, which are maintained in accordance with legal restrictions.

Written contracts relative to third party holders of collateral or establishing each party's rights with regard to repurchase agreements are entered into by the City. Banks through which repurchase notes are written maintain their collateral in an investment book entry account with the Federal Reserve. For certain contracts collateral is separate from the bank's assets, while for other contracts it is not separate. Repurchase agreements are entered into only with financial institutions; no brokers or dealers are involved in these transactions. The following tables categorize the City's balances in cash and cash equivalents for all funds. Deposits are classified as to credit risk by the three categories described below:

Category 1: Fully insured or collateralized with securities held by the City or its agent in the City's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3: Uncollateralized

	Category			Total Bank	Carrying
	1	2	3	Balance	Amount
Pooled Deposits					
Demand deposits	\$ 4,781,794		\$ 685,227	\$ 5,467,021	\$ (10,956,476)
Repurchase Agreements	45,829,729			45,829,729	45,829,729
Money Markets/Index funds	52,360	\$ 1,360,775		1,413,135	1,413,135
Deposits not Categorized					
Cash on Hand				353,283	353,283
NH-PDIP Unclassified				16,260,171	16,260,171
MDC - Vanguard				59,699	59,699
Subtotal	50,663,883	1,360,775	685,227	69,383,038	52,959,541
Restricted Deposits					
Demand deposits	2,545,570		25,676	2,571,246	2,571,246
Money Markets			1,669,413	1,669,413	1,669,413
Deposits not Categorized					
NH-PDIP Unclassified				3,005,489	3,005,489
Subtotal	2,545,570	-	1,695,089	7,246,148	7,246,148
TOTAL DEPOSITS	\$ 53,209,453	\$ 1,360,775	\$ 2,380,316	\$ 76,629,186	\$ 60,205,689

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

3. Cash, Cash Equivalents and Investments (continued)

In accordance with GASB Statement 3, investments are classified as to risk by the three categories described below:

- Category 1: Insured or registered in the City's name, or securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counter-party or by its trust department or agent but not in the City's name.

	Category			Market
	1	2	3	Value
Certificates of Deposit				
US Treasury Notes		\$ 3,257,814		\$ 3,257,814
US Government Securities			\$ 13,723,585	13,723,585
Corporate Bonds			251,550	251,550
Common Stocks			1,670,962	1,670,962
Mortgage Backs and CMO's			1,567	1,567
Equity Funds			683,536	683,536
Non-categorized items:				
Land held for Resale/				
Joint Venture-MDC				451,226
Sub-Total	-	3,257,814	16,331,200	20,040,240
Restricted Investments:				
Money Market Funds		69,873,854		69,873,854
Sub-Total	-	69,873,854	-	69,873,854
Total	\$ -	\$ 73,131,668	\$ 16,331,200	\$ 89,914,094

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

3. Cash, Cash Equivalents and Investments (continued)

Component Units

The following tables categorize the cash and cash equivalents, and investments of the City's component units.

	Category			Total Bank Balance	Carrying Amount
	1	2	3		
Manchester Transit Authority:					
Demand deposits	\$ 278,218	\$ -	\$ -	\$ 278,218	\$ 1,477,779
Repurchase Agreements	1,191,617			1,191,617	-
Sub-Total	<u>\$ 1,469,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469,835</u>	<u>\$ 1,477,779</u>
Cash on hand					2,920
Total	<u>\$ 1,469,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469,835</u>	<u>\$ 1,480,699</u>

	Market Value
* Contributory Retirement System:	
US Government Securities	\$ 1,938,095
Corporate bonds	8,997,988
Common stocks	44,487,601
Other	1,419,973
International Equity Funds	13,298,575
Fixed Income	9,997,211
Emerging Market Funds	2,133,189
Cash & Equivalents	540,100
CBM Inc. - (related party)	782,974
Total at December 31, 1998	<u>\$ 83,595,706</u>

The Contributory Retirement amounts are classified at Fair Market Value and applicable investments are categorized in Category 3 for cash disclosure purposes in accordance with GASB 3.

4. Taxes and Abatements

The principal tax of the City is the tax on real property. The State has no cap or limit as to the rate or amount of tax a municipality may raise. The municipality's annual property tax rate is established by the Commissioner of the Department of Revenue Administration of the State, based on reports filed with the State. A single tax is levied for general, county and school purposes. The "assessment year" for taxing purposes runs from April 1 to March 31 of the following year.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

4. Taxes and Abatements (continued)

The City bills and collects its property taxes in two installments. The due dates for these semi-annual tax billings are July 1 and December 1. Property taxes are recorded as a receivable, net of estimated allowance for abatements. Property tax revenues have been recorded using the modified accrual basis of accounting as described in Note 1.

Real property (land and buildings) is subject to a lien for the taxes assessed upon it (subject to any paramount federal lien and subject to bankruptcy and insolvency laws). The City places a lien on delinquent property taxes prior to May 1 of the following assessment year. From the date of the tax lien, a two-year period of redemption is allowed the owner, during which time payment of taxes, interest and costs will be accepted and the lien released.

Interest accrues on delinquent taxes at a rate of 12 percent per annum from the due date to the date of payment. During the redemption period, 18 percent interest per annum is charged. Beyond the two-year period of redemption the City has the right to foreclose on properties for which taxes have not been paid. Properties are deeded to the City unless either the lien has been sold by the City, or the City has notified the tax collector that it will not accept the deed because acceptance could result in liability under environmental statutes imposing strict liability on owners. Except for any paramount federal lien and subject to bankruptcy and insolvency laws, tax liens take precedence over all other liens, and tax collector's deeds are free and clear of all encumbrances.

In December 1997, the New Hampshire Supreme Court declared that the property tax to fund education is a State tax, and therefore must be administered in a manner that is equal in valuation and uniform in rate throughout the State.

Chapter 17 of the Laws of 1999 became effective in 1999. The law includes a definition of "adequate education" for New Hampshire schools and establishes an "Education Trust Fund" and a formula for providing state financial assistance to local school districts.

The primary means of State funding for the Education Trust fund is a uniform statewide property tax under which some of the levies from more prosperous ("property rich" or "donor") communities will be collected by the State and redistributed to less affluent ("property poor" or "recipient") school districts. The law established a uniform tax rate of \$6.60 per thousand of total equalized value (not including utility property or local exemptions). The new state aid property tax will be assessed and collected in virtually the same manner in which property taxes have been administered in the past with one primary exception, donor communities will be required to send amounts in excess of what is required locally for an adequate education to the State for redistribution to recipient districts. The City is a recipient district.

In addition to the property tax provisions, the State raised levies on its Business Profits Tax 1%, Business Enterprise Tax .25%, Real Estate Transfer Tax 50%, and added rental cars to the items covered on its Meals and Rooms Tax. The State also earmarked revenue from the State's share of the recent multi-state tobacco settlement, as well as sweepstakes earning and reserve funds of \$62 million already committed to assist property poor communities. Certain provisions in the legislation require further action by the state legislature in order to be implemented and the use of the tobacco settlement funds requires that the settlement attain final approval.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

5. Receivables

Primary Government

General fund receivables at June 30, 1999, consisted of the following:

Due from State of New Hampshire	\$ 2,432,783
Prior year tax liens	733,370
Tax titles	4,056,850
Other	4,953,544
	<hr/>
	\$ 12,176,547
	<hr/>

Special Revenue Fund receivables consisted of amounts due from state and federal agencies for various grant programs.

Enterprise funds

Enterprise fund receivables at June 30, 1999, consisted of the following:

Due from federal government under reimbursement type grants	\$ 3,668,462
Due from State of New Hampshire and other governmental entities	7,152,207
Accounts receivable-trade	6,844,240
Other	495,917
	<hr/>
	\$ 18,160,826
	<hr/>

The receivables from the State of New Hampshire and other governmental entities represent their contractual commitment to reimburse the City for the repayment of debt incurred to build its wastewater treatment and related facilities.

Component Units

Component Unit receivables at June 30, 1999, consisted of the following:

Accounts receivable-trade	\$ 156,094
Other	642,700
	<hr/>
	\$ 798,794
	<hr/>

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

6. Interfund Receivables and Payables

Due from/to other funds consist of the following at June 30, 1999:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency	\$ 265,398
	Special Revenue	6,111,766
	Capital Projects	11,056,081
	Aggregation	1,213,436
	Aviation	10,496,339
	Non-Expendable Trust	312,850
	Recreation	62,230
		<u>29,518,100</u>
Water Works	Expendable Trust	<u>326,201</u>
Total - All Funds		<u>\$ 29,844,301</u>

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

7. Property and Equipment

Primary Government

Property and equipment in the General Fixed Assets account group at June 30, 1999, consisted of the following:

	Balance 30-Jun-98	Additions	Retirements	Transfers	Balance 30-Jun-99
Land	\$ 11,056,431		\$ (21,501)	\$ 4,018,159	\$ 15,053,089
Buildings	85,968,771		(23,026)	20,465,780	106,411,525
Improvements other than buildings	8,276,093		(38,751)		8,237,342
Equipment	19,675,411	\$ 425,068	(808,408)		19,292,071
Vehicles	13,744,909	441,829	(611,646)		13,575,092
Construction-in-Progress	15,115,888	19,331,916		(24,483,939)	9,963,865
Total General Fixed Assets	<u>\$ 153,837,503</u>	<u>\$ 20,198,813</u>	<u>\$ (1,503,332)</u>	<u>\$ -</u>	<u>\$ 172,532,984</u>

Enterprise Fund

Property and equipment in the Enterprise Funds at June 30, 1999, consisted of the following:

Land	\$ 8,822,172
Buildings	124,823,533
Improvements other than buildings	48,796,221
Interceptors and equipment	139,064,213
Construction-in-Progress	<u>104,308,047</u>
	425,814,186
Less accumulated depreciation	<u>(102,915,144)</u>
	<u>\$ 322,899,042</u>

Discretely Reported Component Units

Property and equipment in the Component Units at June 30, 1999, consisted of the following:

Land	\$ 129,109
Buildings	1,807,598
Equipment	<u>6,075,126</u>
	8,011,833
Less accumulated depreciation	<u>(5,817,220)</u>
	<u>\$ 2,194,613</u>

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

8. Bonds and Notes Payable

Primary Government

The debt service requirements of the City's outstanding general obligation bonds, revenue bonds and notes payable at June 30, 1999 are as follows:

General Long-Term Debt account group:

Fiscal year	Principal	Interest	Total
2000	\$ 13,709,899	\$ 4,717,878	\$ 18,427,777
2001	14,015,984	4,006,200	18,022,184
2002	13,904,224	3,310,233	17,214,457
2003	11,517,925	5,240,394	16,758,319
2004	10,305,966	5,044,061	15,350,027
Thereafter to Maturity	43,894,781	14,000,992	57,895,773
Total General Long-Term Debt account group	<u>\$ 107,348,779</u>	<u>\$ 36,319,758</u>	<u>\$ 143,668,537</u>

Enterprise funds:

Fiscal year	Principal	Interest	Total
2000	\$ 6,344,294	\$ 11,178,297	\$ 17,522,591
2001	6,338,948	9,454,285	15,793,233
2002	6,075,638	9,168,566	15,244,204
2003	6,267,687	8,886,237	15,153,924
2004	6,370,670	8,612,951	14,983,621
Thereafter to maturity	167,819,058	105,493,214	273,312,272
Debt Service Requirement	199,216,295	152,793,550	352,009,845
Less Bond Discount	(2,794,788)		(2,794,788)
Total Enterprise Funds	<u>\$ 196,421,507</u>	<u>\$ 152,793,550</u>	<u>\$ 349,215,057</u>

Interest rates for the City's outstanding general obligation bonds range from 4.00% to 8.70%. At June 30, 1999, the City's legal debt limit was \$308,919,589. Authorized, but unissued, bonds were \$252,922,732 of which approximately \$102,323,000 is for Enterprise Funds. Authorized, unissued bonds include \$70,000,000 in General Fund and Aviation Fund refunding bonds, \$50,000,000 for the proposed civic center, and \$22,000,000 to purchase pension obligation bonds. The full faith, credit and revenue-raising powers of the City have been pledged to secure these general obligation bonds.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

8. Bonds and Notes Payable (continued)

An amount of \$4,297,464 was recorded in the General Long-term Debt account group for the accretion of interest on the capital appreciation bonds. Future accretion requirements of the City's interest cost relating to the capital appreciation bonds as of June 30, are as follows:

<u>Fiscal Year</u>	<u>Interest</u>
2000	\$ 820,770
2001	869,885
2002	921,685
2003	719,629
2004	414,226
	<u>\$ 3,746,195</u>

During the year ended June 30, 1999, the following changes occurred in long-term liabilities reported in the General Long-term Debt account group and the enterprise funds:

<u>General Long-term Debt account group</u>	<u>Balance 30-Jun-98</u>	<u>Additions/ Accretions</u>	<u>Reductions</u>	<u>Balance 30-Jun-99</u>
Bonds payable	\$ 121,252,679		\$ 13,903,900	\$ 107,348,779
Compensated absences	12,680,546	\$ 1,761,482		14,442,028
Insurance claims	7,307,252		1,708,267	5,598,985
Supplemental benefits at retirement	2,013,655		41,783	1,971,872
Interest on capital appreciation bonds	3,523,034	774,430	-	4,297,464
Old system & NHRS supplemental	19,746,716		425,526	19,321,190
Landfill closure and post-closure care	17,003,807	5,686,872	2,956,463	19,734,216
	<u>\$ 183,527,689</u>	<u>\$ 8,222,784</u>	<u>\$ 19,035,939</u>	<u>\$ 172,714,534</u>
<u>Enterprise Funds:</u>				
General Obligation Debt	\$ 35,726,510	\$ 3,780,424	\$ 3,970,639	\$ 35,536,295
Revenue Bonds, Net of Issue Original Discount	39,472,366	\$ 124,275,000	2,862,154	\$ 160,885,212
	<u>\$ 75,198,876</u>	<u>\$ 128,055,424</u>	<u>\$ 6,832,793</u>	<u>\$ 196,421,507</u>

The EPD Fund has four loan agreements with original principal balances amounting to \$26,397,637 with the State of New Hampshire, State Water Pollution Control Revolving Fund (SRF) program for the purpose of financing certain projects in connection with the expansion of the wastewater treatment facility and water pollution abatement project. The remaining principal due as of June 30, 1999 totaled \$21,749,490.

Under terms of the agreements, principal and interest are payable in annual installments beginning after the completion of the project. Final completion has occurred. The loan agreements have terms ranging from five to twenty years with interest rates ranging from 1.3% to 4.2%.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

9. Equity and Other Credit

Primary Government

The changes in the governments' contributed capital and retained earnings accounts for its proprietary funds were as follows:

	Contributed Capital	Retained Earnings		Total
		Designated	Undesignated	
Balance June 30, 1998	\$ 127,287,507	\$ 6,619,351	\$ 59,963,807	\$ 193,870,665
Capital contributions	7,940,614			7,940,614
Net income			8,210,035	8,210,035
Transfer		(1,132,519)	1,132,519	-
Depreciation of assets funded by user contributions and grants	(6,050,390)		6,050,390	-
Acquisition of equipment		(88,533)	88,533	-
Fixed assets disposal	(110)			(110)
Balance June 30, 1999	<u>\$ 129,177,621</u>	<u>\$ 5,398,299</u>	<u>\$ 75,445,284</u>	<u>\$ 210,021,204</u>

In accordance with the 1992 State Guaranteed Airport Revenue Bonds and the 1998 General Airport Revenue Bond and the FAA, \$4,310,586 has been designated in the Aviation Fund. In addition, EPD and Water Works have designated \$502,215 and \$585,499 respectively for future equipment and insurance.

Component Units

The changes in the governments' contributed capital accounts and fund equity for component units were as follows:

	Contributed Capital	Retained Earnings		Total
		Designated	Undesignated	
Balance June 30, 1998	\$1,023,980	\$79,404,505	\$1,824,459	\$ 82,252,944
Capital contributions	50,450			50,450
Net income		5,479,468	5,251	5,484,719
Depreciation of assets funded by user contributions and grants	(189,416)			(189,416)
Balance June 30, 1999	<u>\$ 885,014</u>	<u>\$84,883,973</u>	<u>\$1,829,710</u>	<u>\$ 87,598,697</u>

Designated retained earnings/fund balance represents \$83,450,038 for employee retirement benefits and \$1,433,935 for bus replacement.

All full-time employees of the City participate in one of the City's pension plans or the New Hampshire Retirement System (NHRS).

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans

City Plans

The vast majority of employees of the City participate in the City's pension plan known as the New System. Certain employees of the City participate in a prior pension plan known as the Old System. In addition, a limited number of former police and fire department employees covered by the NHRS also qualify for supplementary benefits that are administered and paid for by the City.

New System

In 1974, the City established a single-employer public employee retirement system (the "New System") to provide pension benefits to employees other than firefighters, policemen, teachers and employees previously covered under the "Old System" described below. The City has also adopted GASB Statement 25 (GASB 25), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosure for Defined Contribution Plans*. GASB 25 addresses measurement and reporting guidelines for defined benefit pension plans and disclosure requirements for defined contribution plans.

All covered employees hired after January 1, 1974 are required to participate in the New System as a condition of employment. Employees are 100% vested after five years of service. The retirement benefit is calculated at 1½% of average total compensation during the highest three years of service in the last ten years of service (hereafter average compensation), multiplied by the years of service prior to January 1, 1999 plus 2% after January 1, 1999 of average compensation multiplied by the years of service after January 1, 1999. There is a minimum benefit of 50% of average compensation for employees hired prior to January 1, 1974 who complete 20 years of service and attain age 62 before retirement or have combined age and years of service over specified amounts. All eligible employees are required to contribute 2½% of their salaries to the New System prior to January 1, 1999 and 3.75% of their salaries after January 1, 1999. If an employee leaves covered employment or dies before five years of service, accumulated employee contributions and earnings thereon at rates determined annually by the New System Board of Trustees (5% for the period ended June 30, 1999 and June 30, 1998) are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. Benefit provisions and contribution requirements are established by the City and may be amended only by the BMA, subject to approval of the voters of the City through referendum.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help assess the New System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans. The measure is independent of the actuarial funding method used to determine contributions to the New System. The New System Board of Trustees employs an independent actuarial firm to estimate the actuarial present value of accumulated plan benefits and to determine future contribution rates.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans (continued)

Actuarial Cost Method

The actuarial cost method used in the valuation was the Entry Age Actuarial Cost Method. Under this method, an allocation of liability to past service and future service is made by spreading the costs over an employee's career as a level percentage of pay. The normal cost is computed for each employee as a level percentage of pay. The actuarial present value of future normal cost payments is determined for each employee, based on an application of each employee's normal cost percentage to the actuarial present value of future compensation of the employee.

Actuarial Assumptions

- Significant actuarial assumptions used in the actuarial valuation, as of January 1, 1999 and 1998, are noted in the December 31, 1998 financial statements of the City of Manchester Employees' Contributory Retirement System.

At December 31 the schedule of funding progress is as follows:

<u>Schedule of Funding Progress</u>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Funded (Unfunded) AAL FAAL/(UAAL)	Funded Ratio	Covered Payroll	FAAL (UAAL) as a percentage of Covered Payroll
12/31/94	\$ 50,858,420	\$ 48,831,579	\$ 2,026,841	104.15 %	\$ 22,871,000	8.86 %
12/31/95	60,600,021	49,317,324	11,282,697	122.88 %	22,920,000	49.23 %
12/31/96	69,295,742	52,964,600	16,331,142	130.83 %	23,974,000	68.12 %
12/31/97	77,944,473	61,542,725	16,401,748	126.65 %	26,961,000	60.84 %
12/31/98	83,222,903	71,075,523	12,147,380	117.09 %	28,440,000	42.71 %

The City's funding policy requires contributions to the retirement plan in amounts sufficient to fund the benefits set forth in the plan. The contributions are determined by the New System's Board of Trustees on the basis of the actuary's valuation. Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

The City's contribution for the fiscal year was based on an actuarial valuation performed as of January 1, 1998. The recommended City contribution for fiscal 1999 consisted of normal cost of \$1,384,157 and amortization of actuarial accrued credits of \$(732,755). Unfunded prior service costs are being amortized over periods of fifteen to forty years. The employer and employee contributions represented 1.91% and 2.5% of covered payroll for calendar 1998. The City's payroll for employees covered by the System was approximately \$28,440,000 for the year ended December 31, 1998. The City paid 100% of its' annual required contribution to its' retirement system.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans (continued)

The City prepaid its required contributions for the period January 1, 1999 to June 30, 1999. This amount, \$398,276 has been recorded as a deferred contribution at December 31, 1998.

Ten-year historical trend information designed to provide information about the New System's progress made in accumulating sufficient assets to pay benefits when due is being developed on a year-by-year basis. Significant trend information for the periods available is included in the financial statements of the City of Manchester Employees' Contributory Retirement System at December 31, 1998.

Old System

Prior to January 1, 1974, all eligible City employees participated in the Old System. All employees hired before January 1, 1974 were given the option to remain in the Old System or participate in the New System. The Old System was replaced by the New System and only operates to cover the remaining participants. All employees covered under the Old System are fully vested. Benefits under the Old System are limited to retirement benefits without death benefits to survivors. The City does not fund costs of this plan on an actuarial basis. Benefits are recognized as expenditures of the General Fund on a pay as you go basis. At June 30, 1999, the Old System membership consisted of:

Members currently receiving benefits	154
Active Vested Members	<u>34</u>
Total Members	<u><u>188</u></u>

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Old System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans. The measure is independent of the actuarial funding method used to determine contributions to the Old System.

The June 30, 1999 pension benefit obligation was projected by outside actuaries using participant data as of June 30, 1999 and estimates of terminations and retirees. Significant actuarial assumptions used in the determination of the contribution and, where applicable, in arriving at the following information include (a) a discount rate of 7.5% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to seniority, merit and inflation, (c) no post-retirement benefit increases, (d) 50% retirement at age 55 and the remaining at age 62, and (e) mortality based on the 1983 Group Annuity Mortality Table (male rates). The City's payroll for employees covered by the Old System was approximately \$1,325,000 for the year ended June 30, 1999.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans (continued)

At June 30, the schedule of funding progress is as follows:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Funded (Unfunded) AAL FAAL/(UAAL)	Funded Ratio	Covered Payroll	FAAL(UAAL) as a percentage of Covered Payroll
06/30/1995	-	\$ 22,598,575	\$ (22,598,575)	0.00 %	\$ 1,700,000	(1,329.33) %
06/30/1996	-	21,771,948	(21,771,948)	0.00 %	1,558,000	(1,397.43) %
06/30/1997	-	22,496,682	(22,496,682)	0.00 %	1,538,984	(1,461.79) %
06/30/1998	-	22,453,076	(22,453,076)	0.00 %	1,417,158	(1,584.37) %
06/30/1999	1,053,059	22,269,566	(21,216,507)	4.73 %	1,326,886	(1,598.97) %

Pension benefits under this plan (including supplementary benefits) recognized as expenditures for the year ended June 30, 1999 were \$1,953,103.

Significant historical trend information for the Old System, which includes the supplementary benefits, is not available due to the fact that actuarial valuations have not been performed on a biennial basis as required.

NHRS Related Supplementary Benefits Plan

The City pays supplementary benefits of up to 50% of the last annual wage for any City employee who participates in the NHRS, was hired before June 30, 1972, and does not receive a pension benefit from the NHRS equal to at least 50% of the last annual wage. These costs are accounted for on a pay-as-you-go basis in the general fund.

At June 30, 1999 the membership consisted of:

Members currently receiving benefits	65
--------------------------------------	----

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Supplementary Benefits Plan funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans. The measure is independent of the actuarial funding method used to determine contributions to the Supplementary Benefits Plan.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans (continued)

The June 30, 1999 pension benefit obligation was projected by outside actuaries using participant data as of June 30, 1999. Significant actuarial assumptions used in the determination of the contribution and, where applicable, in arriving at the following information include (a) a discount rate of 7.5% per year compounded annually, (b) no post-retirement benefit increases, and (c) mortality based on the 1983 Group Annuity Mortality Table (male rates).

At June 30, 1999, the unfunded pension benefit obligation was estimated to be \$880,113 as follows:

Total pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits	\$ 1,035,647
Net assets available for benefits	<u>11,466</u>
Unfunded pension benefit obligation	<u><u>\$ 1,024,181</u></u>

New Hampshire Retirement System

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement and disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A:16 of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

Plan members are required to contribute between 3.86% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16 and ranges from 2.18% to 4.87% of covered compensation. The City's contributions to the system for the years ended June 30, 1999 and 1998 were \$1,148,295 and \$1,197,930 respectively and were equal to the required contributions.

Teachers' Supplemental Benefits Payable at Retirement

Based on an agreement, effective in 1985, between the City and the Manchester Education Association, teachers who retire with twenty years of service in the Manchester School District are entitled, at the time of separation, to a one-time single sum payment of \$6,000 (Teachers' Supplemental). At June 30, 1999, the City had accrued \$1,971,872 in the General Long-term Debt account group.

At June 30, 1999 employees covered by the supplemental retirement plan for teachers consisted of:

<u>Active Employees</u>	
Vested	410
Nonvested	<u>749</u>
	<u><u>1,159</u></u>

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans (continued)

The benefit obligation is a standardized disclosure measure of the present value of benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Teachers' Supplemental funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans. The measure is independent of the actuarial funding method used to determine contributions to the Teachers' Supplemental.

The June 30, 1999 benefit obligation was projected by the outside actuaries using participant data as of June 30, 1998. Significant actuarial assumptions used in the determination of the contribution and, where applicable, in arriving at the following information include (a) a discount rate of 7.5% per year compounded annually, (b) no post-retirement benefits, and (c) mortality based on the 1983 Group Annuity Mortality Table (male rates).

At June 30, 1999, the unfunded benefit obligation was estimated to be \$1,971,872 as follows:

Total benefit obligation:	
Beneficiaries currently accruing benefits	\$ 1,971,872
Net assets available for benefits	-
Unfunded pension benefit obligation	<u>\$ 1,971,872</u>

At June 30 the schedule of funding progress is as follows:

<u>Schedule of Funding Progress</u>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Funded (Unfunded) AAL FAAL/(UAAL)	Funded Ratio	Covered Payroll	FAAL (UAAL) as a percentage of Covered Payroll
6/30/94	-	\$ 2,065,355	\$ (2,065,355)	0.00 %	n/a	n/a %
6/30/95	-	2,200,566	(2,200,566)	0.00 %	n/a	n/a %
6/30/96	-	1,988,385	(1,988,385)	0.00 %	n/a	n/a %
6/30/97	-	1,942,469	(1,942,469)	0.00 %	n/a	n/a %
6/30/98	-	2,013,655	(2,013,655)	0.00 %	n/a	n/a %
6/30/99	-	1,971,872	(1,971,872)	0.00 %	n/a	n/a %

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

10. Employee Benefit Plans (continued)

Component Units - Manchester Transit Authority Pension Plan

The Manchester Transit Authority has a defined contribution plan covering all employees. Employees must complete a 90-day waiting period, and are fully vested after seven years. The MTA and its employees contribute to the plan based on a forty-hour week as follows:

MTA	\$0.52 / hour
Employees	\$0.37 / hour

MTA contributions for the year ended June 30, 1999, totaled \$49,808. Covered payroll was approximately \$1,342,000 out of a total payroll of \$1,944,700. The MTA's contribution represents 4.0% of covered payroll. The employees contributed \$36,390.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

11. Segment Information

Primary Government

The City maintains five enterprise funds: Water Works Fund, EPD Fund, Aviation Fund, Recreation Fund and the Aggregation Fund, which provide water, sewer, airport, recreational services, and energy services respectively.

	Water Works Fund	EPD Fund	Aviation Fund	Recreation Fund	Aggregation Fund	Total
Operating revenues	\$ 8,741,220	\$ 11,282,105	\$ 23,659,494	\$ 1,921,104	\$ 44,665	\$ 45,648,588
Depreciation/amortization	1,722,500	3,574,671	5,227,359	264,215	5,151	10,793,896
Operating income (loss)	581,123	2,615,851	4,400,565	(264,105)	(244,384)	7,089,050
Net income (loss)	332,024	2,795,957	5,608,505	(237,128)	(289,324)	8,210,034
Capital contributions	2,578,704	1,212,955	4,148,955	-	-	7,940,614
Property additions, net	4,573,934	9,355,657	69,542,665	547,430	-	84,019,686
Net working capital	53,524,968	88,831,019	65,008,651	3,393,782	(737,216)	210,021,204
Bonds and notes payable	5,819,678	29,484,217	160,885,212	232,400	-	196,421,507
Receivables	1,805,432	10,739,475	5,198,443	366,991	50,485	18,160,826
Total equity	53,524,968	88,831,020	65,008,650	3,393,782	(737,216)	210,021,204
Total assets	62,766,047	130,330,574	245,360,452	3,889,337	477,109	442,823,519
Due to other funds	-	-	10,496,339	62,230	1,213,436	11,772,005

Component Units

	Manchester Transit Authority	Contributory Retirement System	Total
<u>Balance Sheet</u>			
Total assets	\$4,497,568	\$83,916,052	\$ 88,413,620
Receivables	541,884	256,910	798,794
Property additions, net	22,725	-	22,725
Total liabilities	348,909	466,014	814,923
Total equity	4,148,659	83,450,038	87,598,697

Statement of Revenues, Expenses, and Changes
in Retained Earnings/ Fund Balance

Operating revenues	\$ 3,396,271	\$ 8,464,822	\$ 11,861,093
Operating expenses	3,647,990	4,261,477	7,909,467
Non-operating income	41,457	1,302,220	1,343,677
Operating income (loss)	(251,719)	4,203,345	3,951,626
Net income (loss)	(210,262)	5,505,565	5,295,303
Increase (decrease) in retained earnings/fund balance	(20,846)	5,505,565	5,484,719

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

12. Contingent Liabilities and Insurance

There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Solicitor and other City officials, liabilities arising from these claims and legal actions, if any, will not be significant.

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be significant.

The City's insurance coverage consists of both self-insured programs and policies maintained with various carriers.

Accident and Health

Accident and health claims are administered through a private carrier. The City is self-insured under this program.

Property

Property insurance is maintained with a commercial insurer and provides for a deductible of \$100,000 for each claim and an overall coverage limit of \$100,000,000.

Liability

Liability claims are administered through a private carrier. The City is self-insured under this program, except for the Aviation Fund which maintains a liability insurance policy which provides coverage generally up to \$100,000,000 for each occurrence and in the aggregate in any one annual period of insurance. State law generally limits a city's liability for an incident to \$150,000 per individual and \$500,000 per incident. \$1,740,479 was recorded in the General Long-term Debt account group for 1999.

Worker's Compensation

Worker's compensation claims are administered through a private carrier. The City is self-insured under this program for all City employees. \$3,858,506 for 1999 was recorded in the General Long-term Debt account group as the City's estimated liability for all types of claims incurred in 1999 or prior, which have not been settled.

Regulatory

The City was issued an Administrative Order against it by the United States Environmental Protection Agency (EPA), ordering the City to evaluate and plan for appropriate treatment of combined sewer overflows pursuant to the Federal Clean Water Act. The City believes it is in compliance with the Administrative Order and is working with Federal and State authorities in dealing with combined sewer overflows from its publicly-owned treatment works. As of June 30, 1999, there is no pending claim by the EPA or the State.

City of Manchester, New Hampshire (continued)
Notes to General Purpose Financial Statements
June 30, 1999

13. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations required the City to place final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stopped accepting waste, the City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of the balance sheet date. The \$19,734,216 reported as landfill closure and postclosure care liability at June 30, 1999 represents the cumulative amount reported to date based on use of 100 percent of the estimated capacity of the landfill. The City closed the landfill on June 28, 1996. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City anticipates that the funding for the landfill closure costs will be provided through the issuance of general obligation bonds.

14. Subsequent Events

The EPD completed the Long Term Control Plan for Combined Sewer Overflows in 1998 and entered into negotiations with EPA. The project is estimated to cost \$85 to \$140 million and will be done over a period of 15 years. The City has signed a consent order with the EPA and the New Hampshire Department of Environmental Services to address the first phase of the CSO Remediation over an 11-year period at an estimated cost of \$59 million. At the conclusion of Phase I, the City and EPA will reassess CSO activity and evaluate the need for Phase II.

At June 30, 1999 ten million dollars has been authorized. An SRF loan for \$1.6 million for the initial project has been requested from New Hampshire Department of Environmental Services.

On May 24, 1999, a Superior Court decision declared that the Manchester School District (the "District") is not a city department and that the District should enjoy considerably more authority in the administration and management of its funds than other city departments. In response to the Court's ruling in June 1999 the School District appointed an interim treasurer, established separate bank accounts, and initiated a transition plan to separate its management functions from the City. It is anticipated that all School payroll, payable, and treasury functions will be fully assumed by the District no later than January 1, 2000.

In November 1998 the question of whether to build a Civic Center in Manchester was approved. Subsequently, the BMA authorized the expenditure of public funds to proceed toward structuring the project. The BMA stipulated that, prior to undertaking construction, the project structure must meet the following criteria: 20% minimum private funds, the public portion bonding must not exceed \$50,000,000 and the bonds must be fully insured and retired exclusively with State Meals and Rooms funding received as part of a revenue sharing formula from the State, the taxpayers of the City cannot be exposed to any operating deficit that might result from building operations, and that an anchor tenant, in the form of a professional minor league hockey team, must be signed to a long term lease. All of these criteria have been met. The BMA, on December 21, 1999, voted for the Civic Center to proceed.

On July 1, 1999, the City issued \$41,750,000 of General Obligation Bonds and \$4,295,000 of General Obligation Refunding Bonds. Interest rates range from 3.25% to 5.125%. The General Obligation Bonds have a maximum life of twenty years and will be used to fund capital projects. The General Obligation Refunding Bonds are refunding certain maturities of bonds in 1991 and 1992.

City of Manchester, New Hampshire
Supplementary Year 2000 Information
June 30, 1999

The City of Manchester is currently addressing year 2000 compliance issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00". Computer programs have to be adjusted to recognize the difference between those two years or the programs may fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment (such as environmental monitoring systems, elevators and vehicles) containing computer chips that have date recognition features.

The City of Manchester has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the City of Manchester's operations. The City has identified the following systems requiring year 2000 remediation.

<u>Systems</u>	<u>Awareness (establish budget & project plan)</u>	<u>Assessment (identify system & component deficiencies)</u>	<u>Remediation (make changes to systems & equipment)</u>	<u>Validation & Testing</u>	<u>Contracted Amounts as of 6/30/99</u>
Financial reporting, tax collection, pay- roll and employee benefit systems	C	C	P	P	\$ -
911 police and fire emergency report- ing system	C	C	P	P	\$ 17,747
Traffic control systems	C	C	C	C	\$ -
Other electronic equipment identi- fied as necessary to conducting City operations	C	C	P	P	\$182,950

C = Complete P = In Process A = Needs to be Addressed

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be year 2000 compliant, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City conducts business will be year 2000 compliant.

CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

General Fund - to account for all revenues and expenditures of the City which are not accounted for in the other funds. Revenues are primarily derived from property taxes, other local taxes, licenses, permits and fees, and state and federal grants.

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**General Fund
Comparative Balance Sheets**

**City of Manchester, New Hampshire
June 30, 1999**

	<u>1999</u>	<u>1998</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 23,076,980	\$ 30,838,808
Restricted cash and cash equivalents	1,152,189	880,423
Investments	2,928,868	9,152,620
Receivables	12,176,547	16,126,794
Prepaid expenses	15,444	7,940
Due from other funds	29,518,100	16,638,192
Inventories	442,151	370,545
Total Assets	<u>\$ 69,310,279</u>	<u>\$ 74,015,322</u>
<u>Liabilities and Fund Equity</u>		
Liabilities		
Accounts and warrants payable	\$ 2,753,108	\$ 5,147,691
Retainage payable	4,340	4,340
Accrued liabilities	1,621,053	1,380,274
Insurance claims payable	1,121,366	2,107,565
Due to other funds		51,390
Deferred revenue	5,749,477	6,561,593
Taxes collected in advance	45,553,404	46,274,692
Other	2,140,249	1,901,384
Total Liabilities	<u>58,942,997</u>	<u>63,428,929</u>
Fund Equity		
Fund balances		
Reserved for		
Encumbrances	1,567,636	1,694,120
Workers' compensation	140,089	
Health insurance		1,256,359
General liability insurance	1,217,197	1,153,735
Inventory	442,151	370,545
Advances	1,022,239	575,970
Unreserved		
Revenue stabilization	5,511,747	5,102,054
Undesignated fund balance	466,223	433,610
Total Fund Equity	<u>10,367,282</u>	<u>10,586,393</u>
Total Liabilities and Fund Equity	<u>\$ 69,310,279</u>	<u>\$ 74,015,322</u>

General Fund
Schedule of Revenues and Other Sources -
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Taxes</u>			
Property tax	\$ 110,736,763	\$ 114,309,608	\$ 3,572,845
Boat tax	40,000	48,195	8,195
Railroad tax	4,000	5,672	1,672
Yield tax		14	14
Tax lien	50,000	53,700	3,700
Interest on tax	400,000	396,821	(3,179)
Interest on tax lien	800,000	680,596	(119,404)
Cost on deferred tax	40,000	41,799	1,799
Cost tax title	30,000	33,782	3,782
Miscellaneous tax		(33)	(33)
Cable TV permit	460,000	472,471	12,471
Central Business District	230,000	223,710	(6,290)
Total Taxes	112,790,763	116,266,335	3,475,572
<u>Federal and State Grants and Aid</u>			
CIP/federal capital	197,000	93,396	(103,604)
Medicare reimbursement	1,102,702	1,174,556	71,854
Traffic reimbursement	30,000	106	(29,894)
NH revenue sharing	2,506,489	2,506,490	1
Highway block grant	1,427,994	1,360,399	(67,595)
Landfill closure		27,691	27,691
School building aid	412,169	281,900	(130,269)
Kindergarten program	628,500	665,250	36,750
Emergency preparedness	13,000		(13,000)
FEMA		26,325	26,325
School catastrophic aid	551,227	695,583	144,356
School foundation aid	4,281,113	4,816,889	535,776
Preventive Health	75,800		(75,800)
Rooms & Meals tax revenue	954,927	954,927	-
Business profit tax	3,483,475	2,466,349	(1,017,126)
Lieu tax	300,060	293,873	(6,187)
Carpenter Center in lieu of tax	45,946	47,067	1,121
SFNS - state	1,481,350	1,403,958	(77,392)
Total Federal and State Grants and Aid	17,491,752	16,814,759	(676,993)

**General Fund
Schedule of Revenues and Other Sources -
Budget and Actual (Budget Basis)**

**City of Manchester, New Hampshire
Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Nonenterprise Charges for</u>			
<u>Sales and Services</u>			
School district tuition	\$ 9,598,949	\$ 8,323,453	\$ (1,275,496)
WIC clinic	8,000	2,205	(5,795)
STD clinic test fee		2,575	2,575
Certified record	110,000	109,675	(325)
State/certification	(54,000)	(62,310)	(8,310)
Accident/investigation report	54,500	61,826	7,326
Record check	4,500	(10)	(4,510)
Fingerprint	18,000	9,780	(8,220)
Photograph sale	3,600	5,173	1,573
Police auction	10,000	6,534	(3,466)
Extra detail	103,200	73,137	(30,063)
Highway maintenance A/R	1,500	613	(887)
Inspection fee A/R	20,000	23,006	3,006
Delay rent on landfill	10,000	15,722	5,722
Drop-off Center	300,000	354,253	54,253
Care of lot and grave	1,000	915	(85)
Entombment	137,307	107,395	(29,912)
Zoning variance	27,000	27,030	30
Parking ticket	800,000	709,363	(90,637)
Court parking fine	17,000	6,895	(10,105)
Towing fine	3,000	(1,129)	(4,129)
Building violation fine	13,500	14,880	1,380
District court fine	36,000	38,489	2,489
Highway violation fine	250		(250)
Dog pound fee	8,000	12,620	4,620
Parks - softball fee	1,000	1,045	45
Department supplies-Information System	12,500	15,257	2,757
Parking reserve	583,500	556,303	(27,197)
Parking-downtown meters	892,984	507,471	(385,513)
Bid fee	1,900	2,130	230
Game receipt	100,000	82,703	(17,297)
Photocopy	50,550	11,182	(39,368)
Fee duplicate tax receipt	2,500	3,190	690
Bounced check fee	9,510	5,853	(3,657)
Late fee	3,000	6,152	3,152
UCC financing statement	56,000	62,218	6,218
SFNS-rebate revenue		29,664	29,664
Blasting permit	300	700	400
Assembly permit	26,000	24,200	(1,800)
Bathing facility permit	5,000	5,125	125
Day care health inspection	800	550	(250)
Sewer tap fee	33,900	36,550	2,650

General Fund
Schedule of Revenues and Other Sources -
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Nonenterprise Charges for</u>			
<u>Sales and Services (Continued)</u>			
Grade certificate	\$ 1,500	\$ 1,980	\$ 480
HTLV testing and counseling		3,900	3,900
Immunization reimbursement	1,000	2,610	1,610
Wage assignment fee	1,000	1,818	818
Sub-Division fee	15,000	16,975	1,975
Motor vehicle title fee	40,000	40,864	864
Deed fee	10	9	(1)
Municipal agent fee	175,000	167,056	(7,944)
Bike license	450	132	(318)
Fire standby fee	300	1,500	1,200
False fire alarm	7,000	12,300	5,300
Fire day care inspection	2,000	850	(1,150)
Fire alarm permit	166,800	171,240	4,440
Fire reinspection	8,000	15,239	7,239
Sprinkler system review	6,000	3,500	(2,500)
Telephone dialer fee	400	375	(25)
Site plan fee	60,000	75,553	15,553
Political filing fee	100		(100)
Booting fee	6,500	7,290	790
Review of life safety code plan	1,800	1,050	(750)
Central station monitoring	18,700	16,975	(1,725)
Hazardous inspection fee	20,750	3,600	(17,150)
Witness fee	135,200	121,206	(13,994)
Wellington sewer recovery		20,566	20,566
Equipment rental	500	555	55
Rental, book, etc - School		3,617	3,617
School lunch	1,777,300	1,805,854	28,554
Sale of grave lot	16,500	18,645	2,145
Sale of mausoleum	83,300	15,688	(67,612)
Cement container	35,250	35,846	596
Newspaper ad income	500		(500)
Other tuition	69,600	4,226	(65,374)
Forfeiture Dog License		3,675	3,675
Parking meter use permit	7,000	6,295	(705)
School energy fee	80,000	286	(79,714)
Research fee	10,050	12,580	2,530
Transportation Reimbursement-Voc Ed		192,319	192,319
Vocational education tuition	236,988	160,419	(76,569)
Total Nonenterprise Charges for Sales and Services	<u>15,995,248</u>	<u>14,138,976</u>	<u>(1,856,272)</u>

**General Fund
Schedule of Revenues and Other Sources -
Budget and Actual (Budget Basis)**

**City of Manchester, New Hampshire
Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Licenses and Permits</u>			
Auto registration	\$ 10,281,450	\$ 10,803,965	\$ 522,515
Amusement license	6,600	9,008	2,408
Dog license	21,194	35,588	14,394
State share dog license	(2,844)	(5,078)	(2,234)
Mechanical device license	582,000	544,336	(37,664)
Other license	350	641	291
Sunday permit	75,000	83,486	8,486
Taxi license	13,000	13,955	955
Second hand license	2,000	2,075	75
Peddler license	5,000	9,138	4,138
Game of chance license	300	150	(150)
Towing license	20,350	5,083	(15,267)
Marriage license	46,000	44,055	(1,945)
State share marriage	(39,100)	(37,240)	1,860
Building permit	870,000	671,717	(198,283)
Electric permit	170,000	139,156	(30,844)
Plumbing permit	60,000	38,402	(21,598)
Heating permit	115,000	82,718	(32,282)
Sign permit	22,000	13,095	(8,905)
Elevator permit	1,000	738	(262)
Yard sale permit	5,000	4,761	(239)
Food permit	110,000	114,585	4,585
Septic permit	4,000	3,775	(225)
Excavation permit	82,000	67,500	(14,500)
Encumbrance permit	1,600	2,875	1,275
Gun permit	3,000	8,520	5,520
Alarm permit	125,000	96,964	(28,036)
Parking-lease	1,498,616	1,289,071	(209,545)
Highway Road Resurfacing	550,000	520,565	(29,435)
Certificate of compliance	200,000	129,220	(70,780)
Pipe layer certification	500	1,550	1,050
Reclamation trust fund	333,400	275,473	(57,927)
Review special hazard system plan	100		(100)
Total Licenses and Permits	<u>15,162,516</u>	<u>14,969,847</u>	<u>(192,669)</u>
<u>Interest</u>			
Income from invested funds	<u>2,733,101</u>	<u>1,989,669</u>	<u>(743,432)</u>

**General Fund
Schedule of Revenues and Other Sources -
Budget and Actual (Budget Basis)**

**City of Manchester, New Hampshire
Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Other Revenues</u>			
Reimbursement O/T salary	\$ 34,833	\$ 36,470	\$ 1,637
HTLV education reimbursement	37,000	10,703	(26,297)
STD reimbursement	20,000	27,679	7,679
TB reimbursement	20,000	34,523	14,523
Public Health Improvement reimbursement		2,063	2,063
Immunization reimbursement	3,000	7,485	4,485
Lead Poisoning	50,000	37,700	(12,300)
ROTC	34,500	7,765	(26,735)
Welfare benefit recovery	91,000	19,799	(71,201)
Employee Benefit	35,000	51,552	16,552
Miscellaneous reimbursement	166,000	280,627	114,627
ESP program		699	699
Restitution	1,000	1,628	628
Traffic labor		5,252	5,252
Traffic administration	2,000	8,191	6,191
Airport reimbursement	60,000	79,361	19,361
Wall St. Tower refinance	42,000	51,108	9,108
Scrap metal and salvage	2,500	5,680	3,180
Excess receipt	25,000	37,111	12,111
Extra detail-revolving fund	49,934	41,808	(8,126)
Sewer Maintenance WWTP		20,577	20,577
Data processing	22,500	27,500	5,000
Map, print, etc.	12,900	9,840	(3,060)
Sale of code	50	1,454	1,404
Miscellaneous	239,965	254,002	14,037
Building rent	15,500	15,179	(321)
Police-cruiser rental	6,000	4,738	(1,262)
Recycling		127	127
Rental, book, etc - school		3,325	3,325
Transfer from trust	300,000	300,100	100
Total Other Revenues	<u>1,270,682</u>	<u>1,384,046</u>	<u>113,364</u>
Total Revenues	<u>\$ 165,444,062</u>	<u>\$ 165,563,632</u>	<u>\$ 119,570</u>



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General Fund
Statement of Expenditures, Encumbrances and
Other Uses - Budget and Actual (Budget Basis)

	<u>Salaries & Wages</u>	<u>Employee Benefits</u>	<u>Purchased Professional Services</u>	<u>Purchased Property Services</u>	<u>Other Purchased Services</u>
General Government					
Aldermen	\$ 70,000	\$ 34,367			\$ 3,750
Assessors	354,783	72,236			8,835
Building	681,633	136,175		\$ 3,279	18,326
City Clerk	499,235	111,449		10,002	76,098
City Solicitor	510,918	296,829	\$ 27,467		208,198
Civic Contribution					
Conservation					428
Economic Development Office	165,023	22,538		13,468	21,015
Elderly Services	151,905	40,771		49,572	3,664
Finance	740,651	109,917		5,696	46,153
Information Systems	710,942	170,685	13,955	397,045	71,637
Mayor	171,624	26,597		480	6,963
Nondepartmental					
Non-city Program					
Human Resources	556,522	87,123	46,355	(457)	35,671
Planning	632,174	98,436		12,935	21,205
Public Buildings	705,098	132,313	2,115	503,301	2,252,359
Tax Collector	453,704	74,690	18,122	2,586	24,920
Youth Services	294,006	57,060	973	23,015	9,919
Benefit allocation		972,754			
Total General Government	6,698,218	2,443,940	108,987	1,020,922	2,809,141
Public Safety					
Fire	10,502,768	2,141,985	6,056	240,601	112,663
Police	10,976,838	2,100,457	52,459	229,166	238,722
Total Public Safety	21,479,606	4,242,442	58,515	469,767	351,385
Health and Sanitation					
Health	1,519,217	325,384	20,492	66,837	19,463
Total Health and Sanitation	1,519,217	325,384	20,492	66,837	19,463
Highway and Streets					
Highway	6,673,641	1,451,330	4,510	3,723,870	232,119
Traffic	1,220,322	276,907	35,130	645,423	61,138
Total Highway and Streets	7,893,963	1,728,237	39,640	4,369,293	293,257
Welfare					
Welfare	351,856	66,049	7,586	46,072	5,711
Total Welfare	351,856	66,049	7,586	46,072	5,711
Education					
High School Athletics	375,529	41,170	803	28,047	115,863
Library	1,296,352	240,696		42,891	79,014
School	51,115,715	11,501,618	866,994	3,153,464	3,632,889
School Food & Nutrition Service	1,219,650	229,501		121,611	9,500
Total Education	54,007,246	12,012,985	867,797	3,346,013	3,837,266
Parks and Recreation					
Parks & Recreation	1,373,541	390,022	9,954	53,551	26,536
Total Parks and Recreation	1,373,541	390,022	9,954	53,551	26,536
Debt Service					
Principal retirement					
Interest					
Expenditures					
Total Debt Service	-	-	-	-	-
Total Expenditures	93,323,647	21,209,059	1,112,971	9,372,455	7,342,759
Other					
Community improvement program					
Total Other Financing Uses	-	-	-	-	-
Total Expenditures and Other Uses	\$ 93,323,647	\$ 21,209,059	\$ 1,112,971	\$ 9,372,455	\$ 7,342,759

City of Manchester, New Hampshire
Year Ended June 30, 1999

Supplies & Materials	Capital Outlay	Miscellaneous	1999 Total Commitments	1999 Budget	Variance Favorable (Unfavorable)	1998 Total Commitments
\$ 3,167	\$ 5,204	\$ 15,512	\$ 108,117	\$ 108,117	\$ -	\$ 89,717
13,054	864	1,071	459,737	459,737	-	420,826
8,081	24,773	42,020	854,402	880,832	26,430	874,695
16,838		16,668	771,658	771,659	1	715,053
		86,721	1,076,918	1,089,706	12,788	877,318
		1,300	86,721	88,700	1,979	100,289
		1,816	1,728	1,825	97	948
1,970		75	225,830	233,183	7,353	220,610
9,194	1,980	139,964	257,161	257,161	-	240,617
17,181	31,874	529	1,091,436	1,102,874	11,438	1,014,865
50,872	47,211	210	1,462,876	1,584,339	121,463	1,510,411
1,462		1,429,912	207,336	207,336	-	188,627
		187,314	1,429,912	1,435,877	5,965	1,406,815
9,796	8,509	4,630	187,314	191,500	4,186	177,314
5,957	4,492	993	748,149	751,351	3,202	699,412
265,197	8,910	50,229	776,192	779,013	2,821	699,138
12,060	668	113	3,919,522	3,919,523	1	3,828,546
1,586		6,476	586,863	586,865	2	513,321
			393,035	393,035	-	367,657
			972,754	(173,477)	(1,146,231)	(993,303)
416,415	134,485	1,985,553	15,617,661	14,669,156	(948,505)	12,952,876
321,223	155,559	64,000	13,544,855	13,552,313	7,458	12,436,534
374,774	16,969	66,684	14,056,069	14,056,069	-	13,312,769
695,997	172,528	130,684	27,600,924	27,608,382	7,458	25,749,303
15,513	8,350	17,204	1,992,460	2,036,542	44,082	1,767,758
15,513	8,350	17,204	1,992,460	2,036,542	44,082	1,767,758
1,323,708	102,766	1,082,087	14,594,031	14,787,379	193,348	14,036,627
664,605	39,249	7,723	2,950,497	3,002,930	52,433	2,859,602
1,988,313	142,015	1,089,810	17,544,528	17,790,309	245,781	16,896,229
2,111	553	505,505	985,443	1,183,606	198,163	968,756
2,111	553	505,505	985,443	1,183,606	198,163	968,756
26,992	96,724	369,626	1,054,754	1,121,764	67,010	1,309,371
279,421	14,251	126	1,952,751	1,958,221	5,470	1,735,356
2,614,460	46,932	312,224	73,244,296	73,485,116	240,820	72,502,752
1,652,108	(3,033)		3,229,337	3,161,861	(67,476)	3,154,554
4,572,981	154,874	681,976	79,481,138	79,726,962	245,824	78,702,033
186,710	16,216	336,261	2,392,791	2,468,221	75,430	1,937,397
186,710	16,216	336,261	2,392,791	2,468,221	75,430	1,937,397
		13,893,514	13,893,514	13,893,514	-	11,320,483
		5,840,166	5,840,166	5,840,170	4	4,843,668
-	-	19,733,680	-	19,733,684	4	-
7,878,040	629,021	24,480,673	19,733,680	19,733,684	(131,763)	16,164,151
			165,348,625	165,216,862		155,138,503
		1,527,200	1,527,200	1,527,200	-	1,174,700
-	-	1,527,200	1,527,200	1,527,200	-	1,174,700
\$7,878,040	\$ 629,021	\$ 26,007,873	\$ 166,875,825	\$ 166,744,062	\$ (131,763)	\$156,313,203



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CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

Special Revenue Funds - to account for revenues legally restricted for specific expenditures.

Education Special Revenue Fund - to account for educational programs specifically financed through Federal, State and private grants.

School of Technology Fund - to account for revenues generated by the Manchester School of Technology.

Cash Special Projects Fund - to account for cash funded special programs, administered by City Departments.

CDBG - to account for various Community Development Block Grant funded programs.

Other Grant Fund - to account for all other Federal, State and private grants for special programs administered by City departments.

Civic Center - to account for a portion of the Meals and Rooms Tax distribution from the State of New Hampshire to help fund a City owned civic; center.

Revolving Loan Fund - to account for a loan program funded by CDBG funds.

Manchester Development Corporation - to account for the MANCHESTER DEVELOPMENT CORPORATION (MDC), which is a blended component unit of the City. The MDC is a non-profit corporation organized for the purpose of providing economic development services for the City.

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Special Revenue Funds
Combining Balance Sheets

	Education Special Revenue Fund	School of Technology Fund	Cash Special Projects Fund
<u>Assets</u>			
Cash and cash equivalents		\$ 43,012	\$ 1,164,825
Restricted cash and cash equivalents			
Investments			
Receivables	\$ 4,274,060		
Total Assets	\$ 4,274,060	\$ 43,012	\$ 1,164,825
<u>Liabilities and Fund Equity</u>			
<u>Liabilities</u>			
Accounts and warrants payable			\$ 8,544
Retainage payable	\$ 4,445		
Accrued liabilities	143,208	\$ 1,145	10,354
Due to other funds	3,925,339		
Deferred revenue			
Other			
Total Liabilities	4,072,992	1,145	18,898
<u>Fund Equity</u>			
Fund balances			
Reserved for			
Encumbrances	5,920		138,201
Unreserved			
Undesignated fund balance	195,148	41,867	1,007,726
Total Fund Equity	201,068	41,867	1,145,927
Total Liabilities and Fund Equity	\$ 4,274,060	\$ 43,012	\$ 1,164,825

CDBG Fund	Other Grants Fund	Civic Center Fund	Revolving Loan Fund	Manchester Development Corporation	Combined Special Revenue Funds
\$ 82,859		\$ 1,821,085	\$ (60,737)	\$ 1,556,130	\$ 4,607,174
	\$ 27,817	70,457	219,654	25,677	343,605
				1,134,760	1,134,760
91,752	800,717			36,990	5,203,519
\$ 174,611	\$ 828,534	\$ 1,891,542	\$ 158,917	\$ 2,753,557	\$ 11,289,058
\$ 63,653	\$ 139,054		\$ 44,162		\$ 255,413
1,505					5,950
8,756	27,669			\$ 25,677	216,809
835,613	1,350,814				6,111,766
	27,356				27,356
		\$ 75,457		2,500	77,957
909,527	1,544,893	75,457	44,162	28,177	6,695,251
					144,121
(734,916)	(716,359)	1,816,085	114,755	2,725,380	4,449,686
(734,916)	(716,359)	1,816,085	114,755	2,725,380	4,593,807
\$ 174,611	\$ 828,534	\$ 1,891,542	\$ 158,917	\$ 2,753,557	\$ 11,289,058

Special Revenue Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

	Education Special Revenue Fund	School of Technology Fund	Cash Special Projects Fund
<u>Revenues</u>			
Taxes	\$ 157,490		
Federal and state grants and aid	5,011,864		
Nonenterprise charges for sales and services	1,099,058	\$ 161,858	
Interest			
Other	441,639		
Total Revenues	6,710,051	161,858	
<u>Expenditures</u>			
Current:			
General government			\$ 503,893
Public safety			13,441
Health and sanitation			
Highway and streets			675,874
Welfare			54,616
Education	7,341,759	165,139	10,246
Parks and recreation			141,552
Total Expenditures	7,341,759	165,139	1,399,622
Excess (deficiency) of revenues over expenditures	(631,708)	(3,281)	(1,399,622)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers in	150,626		1,527,200
Total Other Financing Sources (Uses)	150,626		1,527,200
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(481,082)	(3,281)	127,578
Fund Balance, beginning of year	682,150	45,148	1,018,349
Fund Balance, end of year	\$ 201,068	\$ 41,867	\$1,145,927

City of Manchester, New Hampshire
Year Ended June 30, 1999

<u>CDBG Fund</u>	<u>Other Grant Fund</u>	<u>Civic Center Fund</u>	<u>Revolving Loan Fund</u>	<u>Manchester Development Corporation</u>	<u>Special Revenue Funds</u>
					\$ 157,490
\$ 1,993,611	\$ 2,468,072	\$ 580,107			10,053,654
	58,864				1,319,780
		66,323	\$ 27,516	\$ (132,227)	(38,388)
	(10,779)			(234,778)	196,082
1,993,611	2,516,157	646,430	27,516	(367,005)	11,688,618
1,426,995	1,771,592			28,698	3,731,178
50,441	917,553				981,435
14,093	484,142				498,235
647,449	562,308				1,885,631
	96,757				151,373
	306,280				7,823,424
394,003	63,225				598,780
2,532,981	4,201,857			28,698	15,670,056
(539,370)	(1,685,700)	646,430	27,516	(395,703)	(3,981,438)
					1,677,826
					1,677,826
(539,370)	(1,685,700)	646,430	27,516	(395,703)	(2,303,612)
(195,546)	969,341	1,169,655	87,239	3,121,083	6,897,419
\$ (734,916)	\$ (716,359)	\$ 1,816,085	\$ 114,755	\$ 2,725,380	\$ 4,593,807



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CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

Enterprise Funds - to account for the operations of the City that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis will be recovered or financed primarily through user charges.

Water Works Fund - to account for the operations of the Water Works whose primary responsibility is providing water service for residential, commercial and industrial entities for the City and six surrounding communities.

Environmental Protection Division (EPD) Fund - to account for the operations of the sewer treatment facility as well as all services related to the treatment of sewage for the City and three surrounding communities.

Aviation Fund - to account for the operations of the City's airport which is operated by the Department of Aviation.

Recreation Fund - to account for certain operations of the Parks and Recreation Department related to the revenue generating recreational facilities owned by the City. These facilities included a ski area, a golf course, a stadium and two ice skating rinks.

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Enterprise Funds
Combining Balance Sheets

	Water Works Fund	EPD Fund
<u>Assets</u>		
Cash and cash equivalents	\$ (975,084)	\$ 25,260,084
Restricted cash and cash equivalents	794,275	1,109,001
Investments		
Receivables	1,805,432	10,739,475
Prepaid expenses	131,772	10,892
Due from other funds	326,201	
Inventories	588,981	27,348
Property and equipment, net	60,094,470	93,183,774
Total Assets	\$ 62,766,047	\$ 130,330,574
<u>Liabilities and Fund Equity</u>		
Liabilities		
Accounts and warrants payable	\$ (1,696)	\$ 9,899,184
Retainage payable	161,324	606,786
Accrued liabilities	387,029	1,302,926
Due to other funds		
Deferred revenue		
Bonds and notes payable	5,819,678	29,484,217
Accrual for compensated absences	729,969	206,441
Old system and NHRS supplemental benefits	1,937,605	
Other	207,170	
Total Liabilities	9,241,079	41,499,554
Fund Equity		
Contributed capital	30,807,187	51,876,926
Retained earnings		
Reserved	585,499	502,215
Unreserved	22,132,282	36,451,879
Fund balances		
Reserved for		
Total Fund Equity	53,524,968	88,831,020
Total Liabilities and Fund Equity	\$ 62,766,047	\$ 130,330,574

<u>Aviation Fund</u>	<u>Recreation Fund</u>	<u>Aggregation Fund</u>	<u>Combined Enterprise Funds</u>
\$ 99,859			\$ 24,384,859
4,652,002			6,555,278
67,927,513			67,927,513
5,198,443	\$ 366,991	\$ 50,485	18,160,826
1,506,174		298,725	1,947,563
			326,201
		5,908	622,237
165,976,461	3,522,346	121,991	322,899,042
\$ 245,360,452	\$ 3,889,337	\$ 477,109	\$ 442,823,519
\$ 24,194	\$ 42,649		\$ 9,964,331
2,944,500			3,712,610
5,581,513	75,028	\$ 889	7,347,385
10,496,339	62,230	1,213,436	11,772,005
	2,219		2,219
160,885,212	232,400		196,421,507
70,611	81,029		1,088,050
			1,937,605
349,433			556,603
180,351,802	495,555	1,214,325	232,802,315
44,008,894	2,484,614		129,177,621
4,310,585			5,398,299
16,689,171	909,168	(737,216)	75,445,284
65,008,650	3,393,782	(737,216)	210,021,204
\$ 245,360,452	\$ 3,889,337	\$ 477,109	\$ 442,823,519

Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings

	Water Works Fund	EPD Fund
<u>Operating Revenues</u>		
Charges for goods and services	\$ 8,687,505	\$ 10,938,971
Contributions		343,134
Other	53,715	
Total Operating Revenues	8,741,220	11,282,105
<u>Operating Expenses</u>		
Personnel services	1,033,195	1,860,741
Plant maintenance	500,807	1,021,222
Light/heat and power	938,874	1,646,495
General and administrative	3,964,721	563,125
Depreciation and amortization	1,722,500	3,574,671
Total Operating Expenses	8,160,097	8,666,254
Operating Income (Loss)	581,123	2,615,851
<u>Non-Operating Revenues (Expenses), net</u>		
Soundproofing program grant		
Soundproofing program expense		
Interest income	96,151	1,283,564
Interest expense	(345,250)	(1,233,947)
Passenger facility charges		
Rent and other income		130,489
Total Non-Operating Revenues (Expenses), Net	(249,099)	180,106
Net Income (Loss)	332,024	2,795,957
Add depreciation on fixed assets acquired by grants and individual contributions externally restricted for capital acquisitions and construction that reduces contributed capital	551,328	2,094,570
Increase/(Decrease) in Retained Earnings	883,352	4,890,527
Retained Earnings, beginning of year	21,834,429	32,063,567
Retained Earnings, end of year	\$ 22,717,781	\$ 36,954,094

City of Manchester, New Hampshire
Year Ended June 30, 1999

Aviation Fund	Recreation Fund	Aggregation Fund	Total
\$ 17,327,544	\$ 1,921,104	\$ 44,665	\$ 38,919,789
1,212,331			343,134
18,539,875	1,921,104	44,665	40,528,969
2,284,446	1,317,229	\$ 46,156	6,541,767
8,304,217	164,127		9,990,373
868,538	302,773		3,756,680
850,550	136,865	237,742	5,753,003
5,227,359	264,215	5,151	10,793,896
17,535,110	2,185,209	289,049	36,835,719
1,004,765	(264,105)	(244,384)	3,693,250
1,333,765			1,333,765
(1,723,819)			(1,723,819)
3,352,788	15,871		4,748,374
(2,144,848)	(16,147)	(44,940)	(3,785,132)
3,785,854			3,785,854
	27,253		157,742
4,603,740	26,977	(44,940)	4,516,784
5,608,505	(237,128)	(289,324)	8,210,034
3,200,441	204,052		6,050,391
8,808,946	(33,076)	(289,324)	14,260,425
12,190,810	942,244	(447,892)	66,583,158
\$ 20,999,756	\$ 909,168	\$ (737,216)	\$ 80,843,583

Enterprise Funds
Combining Statement of Cash Flows

	Water Works Fund	EPD Fund
<u>Cash Flows from Operating Activities</u>		
Cash received from customers	\$ 8,788,470	\$ 11,420,273
Contributions		
Cash payments for goods and services	(5,475,794)	(4,560,622)
Cash payments to employees for services	(972,064)	(1,465,849)
Cash payment to Pension Trust		(1,018,215)
Other operating revenues		
Net Cash Provided by Operating Activities	2,340,612	4,375,587
<u>Cash Flows from Non-Capital and Related Financing Activities</u>		
Amounts from federal & state governments for soundproofing		
Soundproofing related expenses		
Passenger facility charges		
Short-term cash advance from City		
Net Cash Provided by Non-Capital & Related Financing Activities	-	-
<u>Cash Flows from Capital and Related Financing Activities</u>		
Proceeds from restricted cash		(173,611)
Proceeds from general obligation bonds		
Proceeds from State of New Hampshire Revolving Fund		9,631,303
Principal paid on bonds	(809,274)	(2,379,609)
Interest paid on bonds	(345,250)	(1,262,433)
Contributed capital by federal, state & local governments	2,578,704	1,212,955
Acquisition and construction of capital assets	(5,074,931)	(9,355,657)
Net Cash Provided (Used) by Capital & Related Financing Activities	(3,650,751)	(2,327,052)
<u>Cash Flows from Investing Activities</u>		
(Purchase) Sale of investment securities		-
Interest paid on cash advances		-
Interest and dividends from investments	96,151	1,414,053
Net Cash Provided (Used) by Investing Activities	96,151	1,414,053
Net (decrease) Increase in Cash and Cash Equivalents	(1,213,988)	3,462,588
Restricted cash	794,275	1,109,001
Cash and cash equivalents at beginning of period	238,904	21,797,496
Cash and Cash Equivalents at End of Period	\$ (180,809)	\$ 26,369,085
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	581,123	2,615,851
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation and amortization	1,722,500	3,574,671
Non-operating revenue		-
Change in Assets and Liabilities		
(Increase) decrease in receivables	47,250	138,168
(Increase) in inventories	(21,233)	
(Increase) decrease in prepaid expenses and other assets	15,723	
Increase (decrease) in accounts payable	(606,610)	(989,512)
Increase (decrease) in accrued and other liabilities	469,378	41,034
Increase (decrease) in compensated absences	132,481	13,590
Cash payment to Pension Trust		(1,018,215)
Increase in Deferred Revenue		
Net Cash Provided by Operating Activities	\$ 2,340,612	\$ 4,375,587

Aviation Fund	Recreation Fund	Aggregation Fund	Combined Enterprise Funds
\$ 18,802,566	\$ 2,218,510	\$ 43,339	\$ 41,273,158
(12,112,433)	(632,312)	(477,560)	(1,109,872)
(2,228,274)	(1,281,856)	(47,115)	(23,477,820)
			(4,666,187)
			(1,018,215)
	27,253		27,253
4,461,859	331,595	(481,336)	11,028,317
1,328,890			1,328,890
(1,713,505)			(1,713,505)
3,785,854			3,785,854
398,631	62,230	637,466	1,098,327
3,799,870	62,230	637,466	4,499,566
			(173,611)
122,125,723			122,125,723
(760,000)	(17,600)		9,631,303
(2,798,493)	(16,147)		(3,966,483)
4,726,042			(4,422,323)
(70,226,736)	(547,430)	(111,190)	8,517,701
53,066,536	(581,177)	(111,190)	(85,315,944)
(64,589,794)			(64,589,794)
3,352,788		(44,940)	3,307,848
	15,871		1,526,075
(61,237,006)	15,871	(44,940)	(59,755,871)
91,259	(171,481)	-	2,168,378
4,577,037			6,480,313
83,565	171,481	-	22,291,446
\$ 4,751,861	\$ -	\$ -	\$ 30,940,137
999,326	(264,105)	(244,384)	3,687,811
5,227,359	264,215	5,151	10,793,896
	27,253		27,253
220,664	295,187	(1,326)	699,943
(776,718)		(139,318)	(21,233)
(4,495,185)	(28,547)	(100,500)	(900,313)
3,277,684	29,958		(6,220,354)
8,727	5,415	(959)	3,818,054
			159,254
			(1,018,215)
	2,219		2,219
\$ 4,461,857	\$ 331,595	\$ (481,336)	\$ 11,028,315



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CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

Trust Funds - to account for assets held by the City in a trustee capacity

Nonexpendable Cemetery Trust Fund - to account for assets, contributions and income earned on investments used to maintain the City's cemeteries and endowment funds, as well as for other purposes deemed appropriate by the Trustees.

Nonexpendable Library Trust Fund - to account for contributions and income earned on investments used to maintain the City's library. The principal of the Trust is preserved with income used to add to the City's library resources.

Expendable Trust Funds - to account for contributions and income received from various revenue sources for non-capital and capital reserve funds.

Agency Funds - to account for assets held by the City as an agent for individuals or other governmental units.

County Tax Fund - to account for the county assessment collected by the City on the county's behalf.

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Trust & Agency Funds
Combining Balance Sheets

	<u>Expendable Trust</u>	<u>Old System Trust</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 281,007	\$ (889,262)
Investments	2,268,916	1,946,347
Receivables	2,229	7,440
Total Assets	<u>\$ 2,552,152</u>	<u>\$ 1,064,525</u>
<u>Liabilities and Fund Equity</u>		
<u>Liabilities</u>		
Due to other funds	\$ 326,201	
Total Liabilities	<u>326,201</u>	
<u>Fund Equity</u>		
Fund balances		
Reserved for		
Cemetery and other trust funds	2,225,951	1,064,525
Library		
Unreserved		
Undesignated fund balance		
Total Fund Equity	<u>2,225,951</u>	<u>1,064,525</u>
Total Liabilities and Fund Equity	<u>\$ 2,552,152</u>	<u>\$ 1,064,525</u>

Nonexpendable			
Cemetery Trust	Library Trust	Agency Funds	Total
\$ 1,199,664	\$ 299,119		\$ 890,528
11,045,630	2,662,060		17,922,953
10,628	17,597	\$265,398	303,292
\$ 12,255,922	\$ 2,978,776	\$265,398	\$ 19,116,773
\$ 312,850		\$265,398	\$ 904,449
312,850		265,398	904,449
			3,290,476
	2,978,776		2,978,776
11,943,072			11,943,072
11,943,072	2,978,776		18,212,324
\$ 12,255,922	\$ 2,978,776	\$265,398	\$ 19,116,773

Nonexpendable Trust Funds
Combining Statement of Revenues, Expenses,
and Changes in Fund Balances

City of Manchester, New Hampshire
Year Ended June 30, 1999

	Cemetery Trust	Library Trust	Total Nonexpendable Trusts
<u>Revenues</u>			
Interest and dividends	\$ 722,959	\$ 325,778	\$ 1,048,737
Contributions	105,440	8,343	113,783
Net gain on sale of securities	32,310	50,132	82,442
Total Revenues	860,709	384,253	1,244,962
<u>Expenses</u>			
General and administrative		84,051	84,051
Cemetery	313,900		313,900
Investment management fee	8,164	18,558	26,722
Total Expenses	322,064	102,609	424,673
Net Income	538,645	281,644	820,289
Fund Balance, beginning of year	11,404,427	2,697,132	14,101,559
Fund Balance, end of year	<u>\$ 11,943,072</u>	<u>\$ 2,978,776</u>	<u>\$ 14,921,848</u>

Nonexpendable Trust Funds
Combining Statement of Cash Flows

City of Manchester, New Hampshire
Year Ended June 30, 1999

	Cemetery Trust	Library Trust	Combined Nonexpendable Trusts
<u>Cash Flows from Operating Activities</u>			
Contributions	\$ 105,440	\$ 8,343	\$ 113,783
Cash payments for goods and services	(9,214)	(84,051)	(93,265)
Other operating revenues	546,657		546,657
Net Cash Used by Operating Activities	642,883	(75,708)	567,175
<u>Cash Flows from Investing Activities</u>			
Purchase of investment securities	(10,660,651)	(279,011)	(10,939,662)
Proceeds from sale and maturities of investment securities	10,542,214	347,852	10,890,066
Interest and dividends from investments	505,404	75,440	580,844
Net Cash Provided (Used) by Investing Activities	386,967	144,281	531,248
Net Increase in Cash and Cash Equivalents	1,029,850	68,573	1,098,423
Restricted cash			
Cash and cash equivalents at beginning of period	169,814	230,546	400,360
Cash and Cash Equivalents at End of Period	\$ 1,199,664	\$ 299,119	\$ 1,498,783
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	547,859	(75,708)	472,151
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Non-operating revenue	(259,079)		(259,079)
Change in Assets and Liabilities			
(Increase) decrease in receivables	41,253		41,253
Increase in interfund liabilities	312,850		312,850
Net Cash Used by Operating Activities	\$ 642,883	\$ (75,708)	\$ 567,175

Agency Funds
Combining Statement of Changes in Assets and Liabilities

City of Manchester, New Hampshire
Year Ended June 30, 1999

	<u>Balance beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance end of Year</u>
<u>County Tax Fund</u>				
Assets				
Receivables	<u>\$361,065</u>	<u>\$265,398</u>	<u>(\$361,065)</u>	<u>\$265,398</u>
Liabilities				
Due to other funds	<u>\$361,065</u>	<u>\$265,398</u>	<u>(\$361,065)</u>	<u>\$265,398</u>

CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

Discrete Component Units - are entities which are legally separate from the City, but are financially accountable to the City, or whose relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Manchester Transit Authority Fund - to account for the operations of the public transportation system.

Pension Trust Fund - to account for the operations of the administration of the assets of the contributory retirement system.

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Discrete Component Units
Combining Balance Sheets

City of Manchester, New Hampshire
June 30, 1999

	Manchester Transit Authority	Pension Trust	Combined Component Units
<u>Assets</u>			
Cash and cash equivalents	\$ 1,480,699		\$ 1,480,699
Investments		\$ 83,595,706	83,595,706
Receivables	541,884	256,910	798,794
Prepaid expenses	40,236	63,436	103,672
Inventories	240,136		240,136
Property and equipment, net	2,194,613		2,194,613
Total Assets	<u>\$4,497,568</u>	<u>\$83,916,052</u>	<u>\$88,413,620</u>
<u>Liabilities and Fund Equity</u>			
Liabilities			
Accounts and warrants payable	\$ 51,239	\$ 162,843	\$ 214,082
Accrued liabilities	30,423	303,171	333,594
Amount payable for pension benefits	261,990		261,990
Bonds and notes payable	5,257		5,257
Total Liabilities	<u>348,909</u>	<u>466,014</u>	<u>814,923</u>
Fund Equity			
Contributed capital	885,014		885,014
Retained earnings			
Reserved	1,433,935		1,433,935
Unreserved	1,829,710		1,829,710
Fund balances			
Reserved for			
Employees' Retirement System		83,450,038	83,450,038
Total Fund Equity	<u>4,148,659</u>	<u>83,450,038</u>	<u>87,598,697</u>
Total Liabilities and Fund Equity	<u>\$4,497,568</u>	<u>\$ 83,916,052</u>	<u>\$88,413,620</u>

**Discrete Component Units
Combining Statement of Revenues, Expenses,
and Changes in Retained Earnings/Fund Balances**

**City of Manchester, New Hampshire
Year Ended June 30, 1999**

	Manchester Transit Authority	Pension Trust	Component Unit
<u>Revenues</u>			
Charges for goods and services	\$ 1,879,893		\$ 1,879,893
Contributions	1,516,378	\$ 1,283,720	2,800,098
Net gain on sale of securities		7,181,102	7,181,102
Total Revenues	3,396,271	8,464,822	11,861,093
<u>Expenses</u>			
Personnel services	2,430,187		2,430,187
Plant maintenance	453,143		453,143
Light/heat and power	71,633		71,633
General and administrative	168,287	435,705	603,992
Depreciation and amortization	524,740		524,740
Investment management fee		481,991	481,991
Benefit payments		3,343,781	3,343,781
Total Expenses	3,647,990	4,261,477	7,909,467
Operating Income (loss)	(251,719)	4,203,345	3,951,626
Non-Operating Revenues, net			-
Interest income	41,457	1,302,220	1,343,677
Non-Operating Revenues			
Interest Income	41,457	1,302,220	1,343,677
Net Income (loss)	(210,262)	5,505,565	5,295,303
Add depreciation on fixed assets acquired by grants and user contributions externally restricted for capital acquisitions and construction that reduces contributed capital	189,416		189,416
Increase (decrease) in Retained Earnings/Fund Balance	(20,846)	5,505,565	5,484,719
Retained Earnings/Fund Balances, beginning of year	3,284,491	77,944,473	81,228,964
Retained Earnings/Fund Balances, end of year	\$ 3,263,645	\$ 83,450,038	\$ 86,713,683

Discrete Component Units
Statement of Cash Flows

City of Manchester, New Hampshire
Year Ended June 30, 1999

	Manchester Transit Authority
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 1,981,779
Cash payments for goods and services	(1,391,894)
Cash payments to employees for services	(1,722,148)
Net Cash Provided by Operating Activities	(1,132,263)
<u>Cash Flows from Non-Capital and Related Financing Activities</u>	
Receipt of operating assistance	1,516,378
Net Cash Provided by Non-Capital & Related Financing Activities	1,516,378
<u>Cash Flows from Capital and Related Financing Activities</u>	
Contributed capital by federal, state & local governments	50,450
Acquisition and construction of capital assets	(22,725)
Net Cash Provided (Used) by Capital & Related Financing Activities	27,725
<u>Cash Flows from Investing Activities</u>	
Interest and dividends from investments	41,457
Net Cash Provided by Investing Activities	41,457
Net Increase in Cash and Cash Equivalents	453,297
Cash and cash equivalents at beginning of period	1,027,402
Cash and Cash Equivalents at End of Period	\$ 1,480,699
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	(1,768,097)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:	
Depreciation and amortization	524,740
Change in Assets and Liabilities	
(Increase) in receivables	288,772
Decrease in inventories	20,689
(Increase) in prepaid expenses and other assets	(195,727)
(Decrease) in accounts payable	7,122
Increase in accrued and other liabilities	(9,762)
Net Cash Used by Operating Activities	\$ (1,132,263)



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CITY OF MANCHESTER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
Year Ended June 30, 1999

General Fixed Assets Account Group - to account for all fixed assets of the City not related to specific proprietary or trust funds.

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General Fixed Assets Account Group
Schedule of General Fixed Assets - By Source

City of Manchester, New Hampshire
June 30, 1999

General Fixed Assets

Land	\$15,053,089
Buildings	101,593,766
Improvements other than buildings	13,055,101
Equipment	19,292,071
Work-in-Process	9,963,865
Vehicles	13,575,092
Total General Fixed Assets	<u>\$172,532,984</u>

Investments in General Fixed Assets

Capital project funds	\$118,898,564
General fund revenues	26,775,134
Special revenue funds	26,859,286
Total Investments in General Fixed Assets	<u>\$172,532,984</u>

General Fixed Assets Account Group
Schedule of General Fixed Assets - By Function and Activity

City of Manchester, New Hampshire
June 30, 1999

	Land	Buildings	Improvements other than buildings	Equipment	Vehicles	Total
<u>General Government</u>						
Assessors				\$14,234		\$14,234
Building				36,009	\$138,312	174,321
City Clerk	\$3,822	\$90,304		244,830	28,794	367,750
City Solicitor				41,873		41,873
Economic Development Office	4,018,159			32,730		4,050,889
Elderly Services				45,922		45,922
Finance	105,000			156,079		261,079
Information Systems				2,859,372	14,375	2,873,747
Mayor				9,101	28,496	37,597
Personnel				20,380		20,380
Planning	46,016	769,972		120,381		936,369
Public Buildings	81,975	6,457,063		175,031	326,296	7,040,365
Tax Collector				20,074		20,074
Youth Services				24,416		24,416
Total General Government	4,254,972	7,317,339	0	3,800,432	536,273	15,909,016
<u>Public Safety</u>						
Fire Protection	669,472	4,629,286	\$58,681	1,368,207	5,644,664	12,370,310
Police Protection	91,115	3,445,944	52,716	1,508,572	1,001,023	6,099,370
Total Public Safety	760,587	8,075,230	111,397	2,876,779	6,645,687	18,469,680
<u>Health and Sanitation</u>						
Cemetery	98,812	304,265		417,596	205,349	1,026,022
Health				203,779	230,698	434,477
Total Health and Sanitation	98,812	304,265	0	621,375	436,047	1,460,499
<u>Highway and Streets</u>						
Highway	109,283	1,293,948	814,565	1,429,350	5,052,701	8,699,847
Traffic	3,692,667	15,642,972	1,736,206	1,892,123	314,889	23,278,857
Total Highway and Streets	3,801,950	16,936,920	2,550,771	3,321,473	5,367,590	31,978,704
<u>Welfare</u>						
Welfare	27,489	109,955		65,201		202,645
Total Welfare	27,489	109,955	0	65,201	0	202,645
<u>Education</u>						
Library	76,270	1,334,211		146,007		1,556,488
School	1,644,773	70,869,050	1,850,215	5,120,218	113,176	79,597,432
School Food & Nutrition				987,260	24,736	1,011,996
Total Education	1,721,043	72,203,261	1,850,215	6,253,485	137,912	82,165,916
<u>Parks and Recreation</u>						
Parks & Recreation	4,388,236	1,464,555	3,724,959	2,353,326	451,583	12,382,659
Total Parks and Recreation	4,388,236	1,464,555	3,724,959	2,353,326	451,583	12,382,659
Construction in Progress		5,146,106	4,817,759			9,963,865
Total General Fixed Assets Allocated to Functions	\$15,053,089	\$111,557,631	\$13,055,101	\$19,292,071	\$13,575,092	\$172,532,984

General Fixed Assets Account Group
Schedule of Changes in General Fixed Assets - By Function and Activity

City of Manchester, New Hampshire
Year Ended June 30, 1999

	General Fixed Assets Beginning of Year	Additions	Deductions	Transfers	General Fixed Assets End of Year
<u>General Government</u>					
Assessors	\$14,234				\$14,234
Building	173,149	\$1,172			174,321
City Clerk	367,750				367,750
City Solicitor	41,873				41,873
Economic Development Office	1,561	31,169		\$4,018,159	4,050,889
Elderly Services	45,922				45,922
Finance	249,339	11,740			261,079
Information Systems	2,757,028	202,617	(\$85,898)		2,873,747
Mayor	28,596	9,001			37,597
Personnel	20,380				20,380
Planning	928,784	33,506	(25,921)		936,369
Public Buildings	1,237,261	4,871	(745)	5,798,978	7,040,365
Tax Collector	33,159	4,448	(17,533)		20,074
Youth Services	24,416				24,416
Total General Government	5,923,452	298,524	(130,097)	9,817,137	15,909,016
<u>Public Safety</u>					
Fire Protection	12,337,220	58,592	(25,502)		12,370,310
Police Protection	6,108,695		(9,325)		6,099,370
Total Public Safety	18,445,915	58,592	(34,827)	0	18,469,680
<u>Health and Sanitation</u>					
Cemetery	1,210,593		(184,571)		1,026,022
Health	327,281	123,529	(16,333)		434,477
Total Health and Sanitation	1,537,874	123,529	(200,904)	0	1,460,499
<u>Highway and Streets</u>					
Highway	8,910,912	195,060	(406,125)		8,699,847
Traffic	23,298,857	0	(20,000)		23,278,857
Total Highway and Streets	32,209,769	195,060	(426,125)	0	31,978,704
<u>Welfare</u>					
Welfare	202,645				202,645
Total Welfare	202,645	0	0	0	202,645
<u>Education</u>					
High School Athletics	-				-
Library	1,556,488				1,556,488
School	65,291,302	45,058	(405,730)	14,666,802	79,597,432
School Food & Nutrition	1,011,996				1,011,996
Total Education	67,859,786	45,058	(405,730)	14,666,802	82,165,916
<u>Parks and Recreation</u>					
Parks & Recreation	12,542,174	146,134	(305,649)		12,382,659
Total Parks and Recreation	12,542,174	146,134	(305,649)	0	12,382,659
Construction in Progress	15,115,888	19,331,916		(24,483,939)	9,963,865
Total General Fixed Assets Allocated to Functions	\$153,837,503	\$20,198,813	(\$1,503,332)	\$0	\$172,532,984



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STATISTICAL SECTION



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General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Health and Sanitation	Highway and Streets	Welfare
1989	\$ 16,652,036	\$ 18,971,267	\$ 1,946,295	\$ 11,064,877	\$ 1,263,163
1990	16,306,790	21,171,721	1,901,307	10,482,883	1,547,382
1991	17,927,583	22,172,950	1,665,330	10,250,695	1,476,057
1992	13,513,627	23,169,625	2,397,552	11,559,540	1,287,494
1994 (2)	23,632,081	35,347,208	3,584,951	20,668,958	1,799,492
1995	13,024,281	23,949,556	2,412,168	13,238,142	1,089,981
1996	14,047,737	24,822,918	2,356,684	14,468,980	1,118,771
1997	11,878,493	25,163,363	2,451,268	16,126,906	1,035,032
1998	11,469,775	27,063,571	2,544,046	16,538,533	1,524,002
1999	15,082,402	28,775,663	1,984,397	17,426,902	932,944

Notes

- (1) Includes the General Fund only.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (3) Beginning in 1991 the City accounted for the County Tax through an Agency Fund
- (4) Beginning in fiscal 1995 many recreation functions were accounted for in the Enterprise Fund

City of Manchester, New Hampshire
Table I

Education	Parks and Recreation	County Tax (3)	Debt Service	Total Expenditures
\$ 50,647,405	\$ 2,597,689	\$ 7,327,474	\$ 8,904,050	\$ 119,374,256
55,059,832	2,626,736	7,370,837	9,118,033	125,585,521
57,836,148	2,505,746	-	8,721,391	122,555,900
60,590,951	2,558,570	-	9,893,001	124,970,360
94,826,842	3,779,205	-	17,505,727	201,144,464
65,080,717	1,088,965 (4)	-	15,501,374	135,385,184
70,883,458	1,166,400	-	15,290,065	144,155,013
69,740,141	1,158,885	-	16,872,450	144,426,538
78,409,488	1,169,744	-	16,164,151	154,883,310
79,988,320	2,411,070	-	19,733,680	166,335,378

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	Taxes	Federal and State	Charges for Sales and Services	Licenses and Permits
1989	\$ 84,093,940	\$ 11,083,327	\$ 10,804,605	\$ 8,547,986
1990	91,256,575	10,622,419	11,843,467	8,188,331
1991	92,751,472	10,824,216	10,948,656	7,619,777
1992	96,384,724	11,298,841	10,383,221	7,866,756
1994 (2)	100,952,145	17,704,791	17,388,372	13,116,970
1995	95,650,105	13,191,242	10,795,404	10,192,255
1996	100,570,543	13,645,131	11,120,727	11,120,727
1997	103,951,582	14,354,349	11,578,643	13,802,836
1998	107,223,578	18,769,545	13,711,063	14,129,835
1999	117,348,501	17,963,054	14,138,976	14,969,847

Notes

(1) Includes the General Fund only.

(2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

Interest	Other	Total Revenues
\$ 1,319,351	\$ 2,716,637	\$ 118,565,846
938,890	2,919,505	125,769,187
738,442	2,171,024	125,053,587
569,787	1,446,946	127,950,275
1,752,094	5,086,908	156,001,280
1,856,668	3,200,885	134,886,559
2,426,075	2,969,759	141,852,962
2,342,522	3,100,525	149,130,457
2,008,604	1,403,320	157,245,945
1,989,669	1,384,046	167,794,093

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Taxes Collected	Delinquent Tax Collections (1)
1989	\$ 84,767,719	\$ 74,895,368	88.35%	\$ 4,916,902
1990	94,239,561	81,983,196	86.99%	6,957,724
1991	101,054,922	83,394,624	82.52%	9,934,709
1992	104,807,584	90,504,074	86.35%	16,443,970
1994 (2)	105,408,690	100,530,691	95.37%	16,428,716
1995	106,908,274	102,767,174	96.13%	7,196,199
1996	106,457,759	103,886,028	97.58%	4,683,658
1997	113,630,813	110,590,166	97.32%	3,464,940
1998	114,851,627	112,425,511	97.89%	2,869,480
1999	121,733,167	117,945,857	96.89%	4,035,991

Notes

- (1) Actual collections of levy, including additional warrants (less refunds), and amounts refundable, including proceeds from tax titles, possessions, abatements and other credits.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion

City of Manchester, New Hampshire
Table III

Total Tax Collections (1)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
\$ 79,812,270	94.15%	\$ 12,228,030	14.43%
88,940,920	94.38%	17,526,671	18.60%
93,329,333	92.36%	25,252,260	24.99%
106,948,044	102.04%	23,111,800	22.05%
116,959,407	110.96%	11,561,083	10.97%
109,963,373	102.86%	8,505,985	7.96%
108,569,686	101.98%	6,394,058	6.01%
114,055,106	100.37%	5,969,765	5.25%
115,294,991	100.39%	5,526,401	4.81%
121,981,848	100.20%	5,277,720	4.34%

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	RESIDENTIAL REAL PROPERTY		NON-RESIDENTIAL REAL PROPERTY	
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value
1989	\$ 445,542,120	\$ 2,348,248,981	\$ 398,561,915	\$ 2,163,902,037
1990	448,425,196	2,032,236,880	406,763,159	1,898,577,248
1991	2,221,142,045	2,174,937,355	1,751,508,205	1,760,083,262
1992 (3)	2,179,653,000	1,951,464,973	1,666,868,000	1,538,463,493
1994 (4)	2,181,699,800	1,885,184,683	1,591,546,500	1,417,626,676
1995	2,189,624,800	1,832,332,667	1,546,090,000	1,333,994,744
1996	2,206,316,800	1,843,933,159	1,472,233,100	1,269,166,466
1997	2,235,464,700	1,927,124,741	1,457,283,600	1,256,278,966
1998	2,259,471,600	2,072,909,725	1,465,117,900	1,344,144,862
1999	2,347,333,950	2,324,093,020	1,521,938,800	1,506,870,099

Notes

- (1) Exemptions for the blind and elderly.
- (2) Amounts shown are net taxable assessed values after deducting exemptions for the blind and elderly.
- (3) The 1991 valuation numbers are based on the Citywide revaluation completed in that year.
- (4) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

Exemptions (1)	TOTAL		Ratio of Total Assessed Value to Total Estimated Market Value
	Assessed Value (2)	Estimated Market Value	
\$ 13,025,955	\$ 831,078,080	\$4,512,151,018	18.42%
13,025,955	842,162,400	3,930,814,128	21.42%
56,800,900	3,915,849,350	3,935,020,617	99.51%
65,313,250	3,781,207,750	3,489,928,466	108.35%
65,233,500	3,708,012,800	3,302,811,359	112.27%
65,964,850	3,669,749,950	3,166,327,411	115.90%
67,420,550	3,611,129,350	3,113,099,625	116.00%
68,416,750	3,624,331,550	3,183,403,707	113.85%
60,331,000	3,664,258,500	3,417,054,587	107.23%
64,695,250	3,804,577,500	3,830,963,119	99.31%

**Special Assessment Billings and Collection -
Central Business District
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Assessment Billings</u>	<u>Current Collections</u>	<u>Percent of Billings Collected</u>	<u>Delinquent Assessment Collections</u>
1989	\$20,553	\$ 16,098	78.32%	\$ 3,450
1990	0	0	0.00%	4,455
1991	24,003	13,833	57.63%	0
1992	31,624	17,202	54.40%	10,170
1994 (1)	35,577	35,577	100.00%	14,422
1995	40,600	40,600	100.00%	0
1996	180,374	180,108	99.85%	0
1997	150,272	149,300	99.35%	164
1998	167,176	155,238	92.86%	0
1999	223,818	222,206	99.28%	11,958

Notes

(1) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year

<u>Total Collections</u>	<u>Total Collections as a Percent of Total Billings</u>	<u>Outstanding Delinquent Assessments</u>	<u>Ratio of Delinquent Assessments to Total Billings</u>
\$ 19,548	95.11%	\$ 4,455	21.68%
4,455	0.00%	0	0.00%
13,833	57.63%	10,170	42.37%
27,372	86.55%	14,422	45.60%
49,999	140.54%	0	0.00%
40,600	100.00%	0	0.00%
180,108	99.85%	266	0.15%
149,464	99.46%	1,074	0.71%
155,238	92.86%	13,032	7.80%
234,164	104.62%	2,686	1.20%

REAL PROPERTY TAX RATES

Fiscal Year	Rate per thousand (1)
1989	\$ 102.30
1990	112.20
1991	25.87 (2)
1992	27.78
1994	28.55 (3)
1995	28.66
1996	29.63
1997	30.84
1998	31.16
1999	32.55

Notes

- (1) Rates are based on assessed value of property. Assessment rate for real property is 100% percent.
- (2) 1991 tax rate reflects the new assessed valuation determined through a Citywide valuation.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

<u>Base Valuation - Real Estate</u>		<u>\$3,939,468,068 *</u>
<u>Legal Debt Limit (City):</u>		
9.75% of Base Valuation		\$384,098,137
Amount of Debt Applicable to Legal Debt Limit:		
Total Bonded Debt for General Government	\$107,348,779	
Less: Debt for fiscal year conversion	26,396,425	
Less: Debt for urban redevelopment	<u>5,773,806</u>	<u>75,178,548</u>
Legal Debt Limit - City		<u><u>\$308,919,589</u></u>
<u>Legal Debt Margin:</u>		
Percent of:		
Legal Debt Margin Outstanding	19.6%	
Legal Debt Margin Available	<u>80.4%</u>	
	<u><u>100.0%</u></u>	
<u>Legal Debt Limit (School):</u>		
7% of Base Valuation		\$275,762,765
Amount of Debt Applicable to Legal Debt Limit:		
Debt for School Purposes		<u>27,517,339</u>
Legal Debt Limit - School		<u><u>\$248,245,426</u></u>
<u>Legal Debt Margin:</u>		
Percent of:		
Legal Debt Margin Outstanding	10.0%	
Legal Debt Margin Available	<u>90.0%</u>	
	<u><u>100.0%</u></u>	
<u>Legal Debt Limit (Water and Waste Water):</u>		
10% of Base Valuation		\$393,946,807
Amount of Debt Applicable to Legal Debt Limit:		
Debt for water projects	\$5,815,522	
Debt for sewer projects	<u>26,467,948</u>	<u>32,283,470</u>
Legal Debt Limit - Water & Wastewater		<u><u>\$361,663,337</u></u>
<u>Legal Debt Margin:</u>		
Percent of:		
Legal Debt Margin Outstanding	8.2%	
Legal Debt Margin Available	<u>91.8%</u>	
	<u><u>100.0%</u></u>	
<u>Summary of Base Valuation:</u>		
1998 Net Local Assessed Valuation		\$3,804,577,500
State of New Hampshire Dept. of Revenue Administration Inventory Adjustment		(47,310,889)
State of New Hampshire Dept. of Revenue Administration Shared Revenue Adjustment		<u>182,201,457</u>
		<u><u>\$3,939,468,068</u></u>

* The general debt limit of the City is 9.75% of base valuation. The base valuation for computing the debt limit is determined by adding the amount of taxable property lost to cities, towns and districts as a result of the enactment of the State Business Profit Tax Law to the "equalize assessed valuation". Not more than 7% of the base valuation may be incurred for school purposes. Water and sewer projects ordered by the State Water Supply and Pollution Control Commission, self-supporting sewer debt, debt for urban redevelopment and housing purposes, and overlapping debt are excluded from the measure of indebtedness. Other water projects are subject to a separate, special debt limit of 10% of the City's base valuation. Borrowings authorized by legislative acts rather than the general municipal finance statutes are sometimes excluded from a city or town's debt limit.

**Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt
1989	101,960	\$ 831,078,080	\$ 81,071,006
1990	99,332	842,162,400	75,008,005
1991	98,722	3,915,849,350	87,520,005
1992	99,567	3,781,207,750	122,330,478
1994 (3)	101,039	3,708,012,800	175,916,541
1995	100,668	3,669,749,950	183,319,614
1996	101,900	3,611,129,350	201,193,606
1997	102,675	3,624,331,550	185,624,973
1998	103,330	3,664,258,500	196,451,555
1999	105,221	3,804,577,500	303,770,286

Notes

- (1) Population figures acquired from State of New Hampshire, Planning Department.
- (2) From Table IV.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

City of Manchester, New Hampshire
Table VIII

Debt Payable from Enterprise Revenues	Net General Obligation Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
\$ 26,059,000	\$ 55,012,006	6.62%	\$ 539.54
25,683,500	49,324,505	5.86%	496.56
24,818,000	62,702,005	1.60%	635.14
64,425,408	57,905,070	1.53%	581.57
64,160,633	111,755,908	3.01%	1,106.07
81,919,281	101,400,333	2.76%	1,007.27
83,240,962	117,952,644	3.27%	1,157.53
79,118,458	106,506,515	2.94%	1,037.32
75,198,876	121,252,679	3.31%	1,173.45
196,421,507	107,348,779	2.82%	1,020.22

Ratio of Annual Debt Service Expenditures for General Obligation
Bonded Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

City of Manchester, New Hampshire
Table IX

Fiscal Year	Total General Governmental Expenditures	Bonded Debt Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
1989	\$ 119,374,256	\$ 8,904,050	7.46%
1990	125,585,521	9,118,033	7.26%
1991	122,555,900	8,721,391	7.12%
1992	124,970,360	9,893,001	7.92%
1994 (3)	201,144,464	17,505,727	8.70%
1995	135,385,184	15,501,374	11.45%
1996	144,155,013	15,290,065	10.61%
1997	144,426,538	16,872,450	11.68%
1998	154,883,310	16,164,151	10.44%
1999	166,335,378	19,733,680	11.86%

Notes

- (1) Includes the General Fund only.
- (2) General obligation bonds reported in enterprise funds have been excluded.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

DIRECT DEBT:

School	\$27,517,339
Parking Facilities	3,756,651
Urban renewal	5,773,806
Fiscal Year Conversion	26,396,425
Other	43,904,558
	<u>\$107,348,779</u>

OVERLAPPING DEBT:

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>City Estimated Share (1)</u>	
		<u>%</u>	<u>\$ Amount</u>
Hillsborough County (2)	\$4,200,000	21.57%	\$905,814

Notes

- (1) Estimated share and dollar amount of outstanding debt based upon City's share of total 1998 assessments to member communities.
- (2) Source: Hillsborough County Treasurer. Share varies on basis of most recent equalized assessed valuation as determined by the State Department of Revenue Administration of New Hampshire. Estimated share shown here is based on the 1997 equalized assessed valuation.

**Revenue Bond Coverage
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue	Expenses (1)	Net Revenue Available for Debt Service
1989	0	0	0
1990	0	0	0
1991	0	0	0
1992	0	0	0
1994 (2)	\$9,143,656	\$7,276,891	\$1,866,765
1995	8,898,791	5,710,017	3,188,774
1996	9,327,954	5,989,549	3,338,405
1997	10,464,648	6,335,497	4,129,151
1998	11,586,104	6,459,977	5,126,127
1999	26,951,095	14,031,570	12,919,525

Notes _____

- (1) Exclusive of depreciation and bond interest.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (3) Amount required at year end to fund the O&M Reserve (equal to three months of operations and maintenance expense).

REQUIREMENTS				
Principal	Interest	O&M Reserve (3)	Total	Coverage
0	0	0	0	N/A
0	0	0	0	N/A
0	0	0	0	N/A
0	0	0	0	N/A
\$255,000	\$900,954	\$240,789	\$1,396,743	1.34
580,000	2,690,622	744,489	4,015,111	0.79
667,500	2,661,645	664,304	3,993,449	0.84
702,500	2,626,584	0	3,329,084	1.24
720,000	2,588,280	0	3,308,280	1.55
760,000	2,546,450	0	3,306,450	3.91

Ratio of Bonded Debt Expenditures to Local Revenues (Last Ten Fiscal Years

**City of Manchester, New Hampshire
Table XII**

Fiscal Year	Local Revenues	Bonded Debt Expenditures	Ratio of Bonded Debt Expenditures To Local Revenues
1989	\$ 107,482,519	\$8,904,050	8.28%
1990	115,146,768	9,118,033	7.92%
1991	114,229,371	8,721,391	7.63%
1992	116,651,434	9,893,001	8.48%
1994 (2)	138,527,744	17,505,727	12.64%
1995	121,695,317	15,501,374	12.74%
1996	128,162,993	15,290,065	11.93%
1997	134,776,108	16,872,450	12.52%
1998	138,476,400	16,164,151	11.67%
1999	149,831,039	19,733,680	13.17%

Notes

- (1) Includes the General Fund only.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

Fiscal Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
1989	101,960	\$ 23,852	13,735	3.50%
1990	99,332	25,259	13,754	5.60%
1991	98,722	25,698	14,367	7.20%
1992	99,490	24,988	14,597	7.50%
1994	101,039	23,704	15,032	6.60%
1995	100,668	25,400	15,355	4.60%
1996	101,900	26,526	16,587	4.00%
1997	102,675	26,615	16,791	2.90%
1998	103,330	27,806	17,104	2.70%
1999	105,221	29,303	16,467	2.40%

Source

- (1) State of New Hampshire, Planning Department
- (2) U.S. Department of Commerce, Bureau of Economic Analysis, estimated based on most recent data available.
- (3) School Department
- (4) State of New Hampshire, Economic and Labor Market Information Bureau

<u>Fiscal Year</u>	<u>Commercial Construction Value</u>	<u>Residential Construction Value</u>	<u>Total Construction Value (1)</u>	<u>Bank Deposits (2)</u>	<u>Airport Tonnage (3)</u>
1989	\$19,897,089	\$26,269,885	\$46,166,974	\$ 4,646,675	25,327
1990	7,014,000	23,757,976	30,771,976	4,313,205	22,953
1991	33,112,010	9,736,776	42,848,786	4,042,659	25,934
1992	3,000,860	12,536,610	15,537,470	2,221,554	25,934
1994 (4)	7,628,500	12,482,470	20,110,970	8,415,277	68,889
1995	7,904,712	30,400,084	38,304,796	(5)	51,774
1996	32,708,609	31,213,466	63,922,075	(5)	59,736
1997	57,985,836	35,906,571	93,892,407	(5)	57,350
1998	77,795,198	34,376,918	112,172,116	(5)	65,513
1999	22,034,115	16,466,026	38,500,141	(5)	72,135

Notes

(1) City of Manchester, Building Department

(2) Source: Sheshunoff Reports and State Banking Commissioner

1986 through 1993 are Manchester deposits only. 1994 represents state-wide amounts. Individual municipal breakdowns are not available at this time.

(3) City of Manchester, Airport Authority.

(4) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

(5) Unavailable

<u>Name of Business</u>	<u>Type of Business</u>	<u>Real Property Assessed Value</u>	<u>% of Total Assessed Value</u>
Manchester Mall Realty Trust	Retail Mall	\$68,500,000	1.80%
Public Service Company of New Hampshire	Utility	56,270,000	1.48%
Energy North Natural Gas, Inc.	Utility	32,397,500	0.85%
IPC Office Properties, LLC	Corporate Complex	21,253,600	0.56%
New England Mutual Life Insurance Company	Insurance	16,954,000	0.45%
Countryside Limited Partnership	Apartment Complex	14,514,500	0.38%
New England Telephone & Telegraph Co.	Utility	13,208,300	0.35%
N.H. Vermont Health Services Blue Cross / Blue	Medical Insurance	13,412,400	0.35%
Washington Park Associates	Apartment Complex	13,079,700	0.34%
May Center Associates Corp.	Retail Store	<u>13,063,700</u>	<u>0.34%</u>
		<u>\$262,653,700</u>	<u>6.90%</u>

Source _____

City of Manchester, Board of Assessor

**Governmental Expenditures Per Capita (1)
Last Ten Fiscal Years**

Fiscal Year	Population	General Government	Public Safety	Health and Sanitation	Highway and Streets
1990	99,332	164	213	19	106
1991	98,722	182	225	17	104
1992	99,490	136	233	24	116
1994 (3)	101,039	156	233	24	136
1995	100,668	129	238	24	132
1996	101,900	138	244	23	142
1997	102,675	116	245	24	157
1998	103,330	111	262	25	160
1999	105,221	143	273	19	166

Notes

(1) Includes the General Fund only.

(2) Beginning in 1991 the City accounted for the County Tax through an Agency Fund.

(3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

City of Manchester, New Hampshire
Table XVI

Welfare	Education	Parks and Recreation	(2) County Tax	Debt Service	Total
16	554	26	74	92	1,264
15	586	25	0	88	1,242
13	609	26	0	99	1,256
12	626	25	0	116	1,328
11	646	11	0	154	1,345
11	696	11	0	150	1,415
10	679	11	0	164	1,406
15	759	11	0	156	1,499
9	760	23	0	188	1,581

Date of Incorporation	June 1846
Form of Government	Mayoral
Number of employees:	
City	1,317
School	1,219
Area in square miles	33.906
Number of registered voters	43,840
Total population	105,221
Total number of properties	30,715
Total taxable properties	29,522
Total tax-exempt properties	1,193
Manchester, New Hampshire facilities and services:	
Miles of streets	389
Number of street lights	8,687
Culture and recreation:	
Golf course	1
Ski area	1
Parks	73
Park acreage	1,222
Athletic fields, basketball and tennis courts	144
Indoor ice arenas	2
Fire Department:	
Number of stations	9
Number of fire personnel and officers	246
Number of fire/hazardous condition calls	4,676
Number of emergency medical service calls	7,668
Police Protection:	
Number of stations	6
Number of police personnel and officers	276
Number of motorized patrol units	30
Number of bike patrol units	6
Total number of arrests	6,566
Total number of calls for service	89,850
Sewerage System:	
Miles of sanitary sewers	330
Sewage pumping stations	13
Number of service connections	22,500
Water System:	
Miles of water mains	462
Number of service connections	28,916
Number of fire hydrants	3,090
Daily average consumption in gallons	15,938,063
Education:	
Number of elementary schools	14
Number of secondary schools	7
Number of full time equivalent instructors K-12	1,225
Airport:	
Number of employees	54
Number of enplanements (calendar 1998)	971,821
Number of carriers	7

